

REPORT TO: Council
REPORT FROM: Economic Development
PRESENTED: March 10, 2020
SUBJECT: Tourism Impact Study

FOR: COW
FILE:

Recommendation:

That Council approve the following resolution:

THAT District of Squamish endorse the Squamish Tourism Impact Study dated January 2020 and attached to the report to the Committee of the Whole dated March 10, 2020.

1. Objective:

To seek Council endorsement of the Squamish Tourism Impact Study January 2020.

2. Background:

The Squamish Tourism Impact Study was funded through a provincial grant (BC Rural Dividend), the District of Squamish, Squamish Chamber of Commerce and Tourism Squamish. The Study was completed by Crane Management Consultants Ltd. and Pacific Analytics Inc.

The purpose of the Study was three-fold, 1) to understand the impact of tourism in Squamish 2) to understand tourism industry dynamics as they relate to the Squamish market; and 3) to develop measurement approaches for priority sectors including, Forestry and Wood Products, Agrifoods, Creative Industries and High Technology. At this time, partners are still reviewing the Top Priorities section of the Tourism Impact Study and the proposed measurement approaches for priority sectors, however, to expedite the communication of impact results, partners are seeking endorsement by Council.

This report presents estimates of tourism visitation and economic impacts of the Squamish tourism sector and includes the following estimates:

- tourism visitation in 2018 to the Squamish area (vs 2008);
- direct spending of visitors to Squamish in 2018 (vs 2008); and
- economic impact in 2018 of Squamish's tourism sector.

Additionally, the study provides an overview of market dynamics to interpret impact results and for future planning purposes.

The study area is anchored by the District of Squamish and extends between Britannia and Brackendale and includes Paradise Valley and Squamish Valley. The bulk of the tourism attractions and businesses that cater to visitors are located within the boundaries of the District of Squamish.

The study approach incorporated a variety of primary and secondary quantitative and qualitative data sources as detailed in Attachment 2.

3. Project Information:

Economic Impact Analysis of Tourism in Squamish in 2018 concluded that:

Visitation:

- An estimated 615,000 visitors came to Squamish for a day visit or stay of one or more nights, a 290% increase in visitation when compared to 2008.
- Overnight visitors accounted for a 58% share (357,200 visitors) of total visitors to Squamish, with those staying in commercial accommodations accounting for 91% and the remaining 9% visiting the homes of friends and relatives.
- Of overnight visitors staying in commercial accommodations, 47% stayed in traditional fixed roofed accommodations (hotels/motels), 13% in vacation rentals (short-term rentals), and 40% stayed in campgrounds and campground/RV parks.

Spending:

- Estimated spending by Squamish visitors totaled \$95.2M, a per visitor average of \$155. This 2018 level of direct tourism spending in Squamish is a 277% increase (13% annual average) over the estimated 2008 level of \$25.3 million.
- Overnight visitors staying in commercial accommodations accounted for 79% (\$75.4M) of direct spending, while those staying with friends and relatives accounted for 11% (\$10.6M) and day visitors accounted for 10% (\$9.1M).
- Of all visitors, those staying in traditional fixed roofed accommodations for the purpose of leisure, accounted for the highest proportion of direct spending at 31% (\$30M), followed by visitors staying in vacation rentals at 19% (\$18.2M).
- Visitors staying in hotel/motel accommodations or vacation rentals spent more than twice that of day visitors (\$35 per day) on non-accommodation goods and services at \$75 and \$71 per day, respectively.

Economic Impact:

- 1.3 jobs and \$57,700 of employment income in Squamish were supported by every 1,000 visitors to Squamish in 2018.
- Squamish's tourism sector supported 1,091 jobs (794.3 full time equivalent positions), and \$53.2M in employment income across B.C.
- Locally, the tourism sector supported 788 jobs (557.2 full time equivalent positions), and \$35.5M in employment income.
- \$81,500 of Gross Domestic Product (GDP) in Squamish was supported by every 1,000 visitors to Squamish in 2018
- The direct, indirect and induced impacts of the Squamish tourism sector accounted for \$79.2 million in GDP and \$134.6M in Gross Output in B.C.
- The sector contributed \$26.6M in total tax revenues in 2018 across three levels of government, of that contributing \$2.1M towards local government taxes.

Tourism Sector Dynamics:

- Visitation growth, when compared to 2008, can be attributed to several factors, including a healthy economy, increased global awareness and new tourism infrastructure (highway/hotel accommodation) afforded from the 2010 Vancouver Olympics, the 2014 opening of the Sea to Sky Gondola, better funded marketing efforts of Tourism Squamish through increasing Municipal and Regional District Tax (MRDT) revenues, and increased accommodation supply due to growth in vacation rental accommodation.
- Regional visitors made up the greatest proportion of day visitors to Squamish with those travelling from Greater Vancouver and the Fraser Valley accounting for 41% of total day visitors. Visitors from international destinations made up the greatest proportion of overnight visitors to Squamish accounting for 52% of total overnight visitors.
- 45.2% of day visitors cited general sightseeing as their main trip purpose compared to overnight visitors with just 21.3% citing sightseeing. Overall, overnight visitors were more likely to pursue more adventurous activities, with 21.5% indicating that rock climbing was their primary purpose, followed by 13.6% citing mountain biking.
- The summer season occupancy levels in hotels and motels, and vacation rentals in Squamish is relatively high. In 2018, occupancy in Squamish hotels and motels, and vacation rentals averaged 77% and 64%, respectively, over the June through September period.
- The study also provided a series of key considerations for tourism sector development, still under review by partners. Considerations included:
 - o new tourism accommodation to meet growing demand;
 - o development of non-peak visitation, through product development and marketing efforts;
 - o further development of the Meetings, Incentives, Conferences and Exhibitions (MICE) Market through the development of supporting infrastructure.
 - o Protection of natural assets and land base to support tourism development.

Please refer to Attachment 2, Draft Squamish Tourism Sector Economic Impact Analysis for further study findings.

4. Implications:

a. Budget:

No Impact

b. Organizational Impact:

No Impact

c. Policy:

OCP, SUSTAINABLE + DIVERSE BUSINESS GROWTH:

Objectives: 24.3:

- a) Support diversified and sustainable economic growth and productivity.
- b) Enhance employment infrastructure to meet local business needs.

Policies: 24.4:

- a) Partner with other levels of government, private industry and organizations to support business retention and expansion, increased productivity and new businesses in priority sectors (to be defined through strategic community economic development planning).
- b) Share data, business intelligence and best practices with the Squamish business community.

d. Bylaws:

N/A

5. Council Priority Areas

The Economy and Local Jobs

The Study supports a better understanding of the economic impact of tourism in Squamish and its associated dynamics. District of Squamish will use the results from this study to align and prioritize sector development goals to fulfill on related Council priority areas.

6. Engagement:

The study included participation from tourism industry stakeholders, including operators, accommodation providers and supporting organizations as well as visitors to the region through a visitor intercept survey completed by Tourism Squamish. For more detail, please refer to the detailed methodology included as attachment 3.

7. Next Implementation Steps:

The District of Squamish will consider study findings in its development and prioritization of future work plans related to tourism sector development. Study findings will be used to support business development efforts to increase fixed roof accommodation in the District.

8. Attachments:

1. Draft Squamish Tourism Sector Economic Impact Analysis Summary
2. Draft Economic Impact of Squamish Tourism Sector

9. Alternatives to Staff Recommendation:

Should Council not endorse the Tourism Impact Study, study partners may elect to pursue any requested study amendments, based on Council's feedback, and then re-submit for Council's reconsideration.

10. Staff Review

Prepared By:

Katherine Mulligan, Economic Development Officer

Reviewed By:

Robin Arthurs, General Manager of Corporate Services

CAO Recommendation:

That the recommendation of the Economic Development department be approved.

Linda Glenday, CAO

DRAFT SQUAMISH TOURISM SECTOR ECONOMIC IMPACT ANALYSIS

DRAFT REPORT

FEBRUARY 2020

Prepared by Crane Management Consultants

With research contributions from
Pacific Analytics Inc.

Prepared for:



EXECUTIVE SUMMARY

Tourism is one of British Columbia's leading economic sectors and makes a significant contribution to the economy. This project was a joint initiative between the District of Squamish, Squamish Chamber of Commerce and Tourism Squamish to better understand the impact of the tourism industry in the Squamish area, with economic analysis by Crane Management Consultants Ltd. and Pacific Analytics Inc. along with Value of Tourism modelling from Destination BC.

The report presents estimates of tourism visitation and economic impacts of the Squamish tourism sector and includes the following estimates:

- tourism visitation in 2018 to the Squamish area (vs 2008)
- direct spending of visitors to Squamish in 2018 (vs 2008)
- the economic impact in 2018 of Squamish's tourism sector

The study area is anchored by the District of Squamish and extends between Britannia and Brackendale and includes Paradise Valley and Squamish Valley. The bulk of the tourism attractions and businesses that cater to visitors are located within the boundaries of the District of Squamish.

The area is situated within the unceded core traditional territory of the Skwxwú7mesh Úxwumixw (Squamish Nation).

The economic importance of Squamish's tourism sector is reflected in the key findings including:

- 615,000 visitors in 2018
- \$95.2 million in direct visitor spending
- \$50.1 million in Gross Domestic Product (GDP)
- \$35.5 million in employment income
- \$20.5 million in taxes



**The economic impact
of the tourism industry
in Squamish includes
788 jobs and \$95.2
million in visitor
spending.**

Photo: Christie-images.com

VISITATION

In 2018, an estimated 615,600 visitors came to Squamish for either a day visit or a stay of one or more nights. During the summer high season, the Tourism Squamish Intercept Survey of more than 1,800 visitors to Squamish showed that 58% were overnight visitors and 42% were day-trippers, mainly from Greater Vancouver and the Fraser Valley.

Overall Total Visits in 2018

615,600

vs 2008

290% 

Share of Overnight Visitors in 2018

58%

Fig 1: 2018 Visitation by Visitor Type (# and share (%) of visitors)

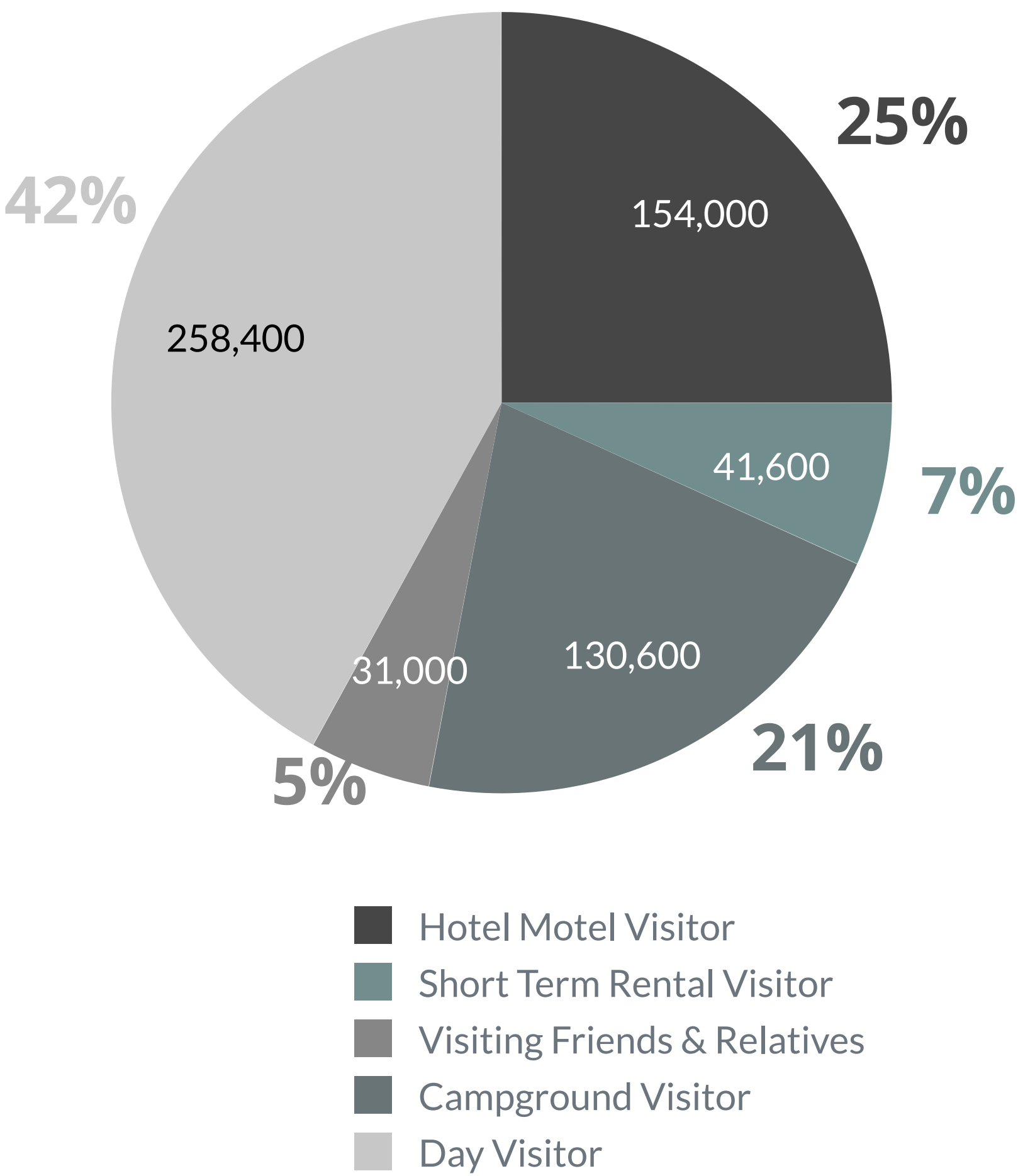


Fig 2: Visitation estimate for Squamish Tourism Sector (# of visitors), 2018 & 2008

	2018	2008	2018 vs 2008 % Change
Traditional Commercial Fixed Roof	154,000	50,400	+206%
Leisure	127,100	34,400	+269%
Business	26,900	16,000	+68%
Vacation Rentals	41,600	N/A	-
Campgrounds/RV Parks	130,600	34,500	+279%
Total Commercial Accommodation Visitors	326,200	84,900	+284%
Visiting Friends & Relatives	31,000	19,300	+61%
Day Visitors	258,400	53,500	+383%
Total Visitation	615,600	157,700	+290%

DIRECT SPEND

The estimated 615,600 visitors to Squamish spent an estimated total of \$95.2 million in 2018, a per visitor average of \$155. This 2018 level of direct tourism spending in Squamish is a 277% increase (13% annual average) over the estimated 2008 level of \$25.3 million.

Visitor Direct Spend in 2018

\$95.2 million

vs 2008

277% ^

Average Per Visitor Spend

\$155

Fig 3: Visitor Spend by Visitor Type (\$ and share (%) of spend)

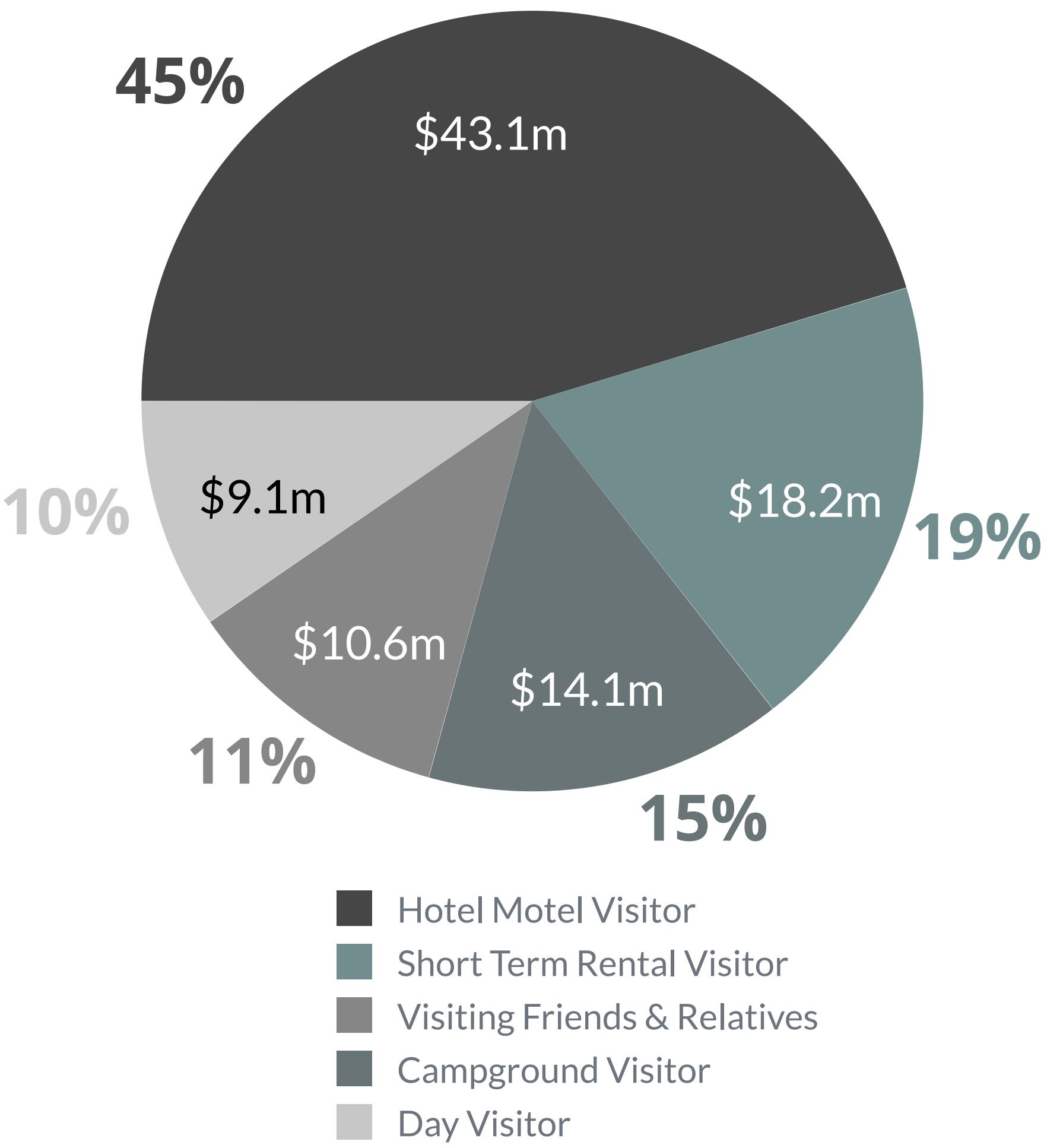


Fig 4: Direct spending estimates for Squamish visitors (\$), 2018 & 2008

	2018 (\$M)	2008 (\$M)	2018 vs 2008 % Change
Traditional Commercial Fixed Roof	\$43.1	N/A	-
Leisure	\$29.9	\$11.6*	+269%
Business	\$13.2	\$8.0	+68%
Vacation Rentals	\$18.2	N/A	-
Campgrounds/RV Parks	\$14.1	N/A	-
Total Commercial Accommodation Visitors	\$75.4	\$19.6	+285%
Visiting Friends & Relatives	\$10.6	\$3.4	+211%
Day Visitors	\$9.2	\$2.3	+298%
Total Visitation	\$95.2	\$25.3	+277%

*Including campgrounds







Fig 5: Estimated per day spending on non-accommodation goods and services by Squamish accommodation segments (\$)

ECONOMIC IMPACT

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project, or a change in government policy or regulation. In this case, economic impact refers to the economic contribution associated with the tourism sector in Squamish. The three major components of economic impact are classified as direct, indirect and induced impacts. [1] Together, they provide a snapshot of how the tourism sector in Squamish impacts the economy on a local, provincial, or national level.

Tourism is a key sector of the Squamish economy. The economic importance of Squamish’s tourism sector is reflected by the estimated 788 jobs supported and the \$50.1 million contributed to Gross Domestic Product (GDP). Including indirect and induced impacts, the Squamish tourism sector generated an estimated total of 1,091 jobs and \$79.2 million in GDP in British Columbia in 2018.

Fig 6: Total Economic Impact of the tourism sector in Squamish, B.C. in 2018

	<div>EMPLOYMENT (# OF JOBS) </div>	<div>WAGES (\$M) </div>	<div>GDP (\$M) </div>	<div>ECONOMIC OUTPUT (\$M) </div>
Direct	727	\$28.4	\$40.7	\$75.4
Indirect	37	\$2.6	\$3.8	\$5.4
Induced	24	\$4.5	\$5.6	\$6.9
SQUAMISH TOTAL	788	\$35.5	\$50.1	\$87.7
Rest of BC	303	\$17.7	\$29.0	\$46.9
BC TOTAL	1,091	\$53.2	\$79.2	\$134.6

[1] Direct impacts account for the economic activity of the target sector itself. Indirect impacts are those that result because of the direct impacts, which involve employment in downstream industries that arise from tourism in Squamish. Induced employment is generated from expenditures in the general economy by individuals employed directly or indirectly by tourism.

ECONOMIC IMPACT

Employment Income

\$35.5 million

in total employment
income supported by
tourism in Squamish

Jobs

788

Squamish tourism
jobs supported

Total Taxes

\$26.6 million

in taxes supported
across Canada

Squamish GDP

\$50.1 million

total boost to
Squamish GDP

Provincial GDP

\$79.2 million

total boost to
provincial GDP

Fig 7: Total Employment, Employment Income, Output and GDP impact of the tourism sector in Squamish, B.C. in 2018

Total Employment | 788 Jobs

727 | 37 | 24



Employment Income | \$35M

\$28M | \$3M | \$4M



Direct Indirect Induced

Output | \$87M
\$75M | \$5M | \$7M



GDP | \$50M
\$40M | \$3M | \$8M



Fig 8: Total Tax Impact of tourism sector in Squamish, B.C. in 2018



Federal | 48%

Provincial | 40%

Municipal | 12%

SQUAMISH TOURISM SECTOR DYNAMICS

Visitation growth in 2018, when compared to 2008, can be attributed to several factors, including a healthy economy, increased global awareness and major highway upgrades afforded from the 2010 Vancouver Olympics, the 2014 opening of the Sea to Sky Gondola, strategic marketing efforts by Tourism Squamish enabled through increasing Municipal and Regional District Tax (MRDT) revenues, and increased accommodation supply due to growth in vacation rental accommodation.

1 AREA OF ORIGIN

- Regional visitors made up the greatest proportion of day visitors to Squamish with those travelling from Greater Vancouver and the Fraser Valley accounting for 41% of total day visitors.
- Visitors from international destinations made up the greatest proportion of overnight visitors to Squamish accounting for 52% of total overnight visitors.

2 TRIP PURPOSE

- Day visitors cited general sightseeing as their main trip purpose (46%) compared to overnight visitors with just 21% citing sightseeing.
- Overall, overnight visitors were more likely to pursue more adventurous activities, with 21% indicating that rock climbing was their primary purpose, followed by 14% citing mountain biking.

3 ACCOMMODATION OCCUPANCY

- The summer season occupancy levels in hotels and motels, and vacation rentals in Squamish is relatively high.
- In 2018, occupancy in Squamish hotels and motels, and vacation rentals averaged 77% and 64%, respectively, over the June through September period.



Photo: Mountain Skills Academy, Squamish Via Ferrata



Photo: Dialed In Cycling



<p>Economic Impact of Squamish Tourism Sector [DRAFT]</p>
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<p><i>Prepared for:</i></p>

<p><i>District of Squamish</i></p>

Prepared by: Crane Management Consultants Ltd.
Vancouver, BC

With research contributions from
Pacific Analytics
Victoria, BC

January 2020

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Executive Summary

Study Overview

This report presents estimates of tourism visitation and economic impacts of the Squamish tourism sector in 2018 and an analysis of recent competitive dynamics of the Squamish tourism sector.

Visitation

In 2018, an estimated 615,600 visitors came to Squamish for either a day visit or a stay of one or more nights. This 2018 level is a 290% increase (13% annual average) over the estimated level of 157,700 visitors for Squamish in 2008.

A large volume of day visitors is an important feature of tourism in the Squamish area. During the summer high season, the Squamish Tourism Intercept Survey of more than 1,800 visitors to Squamish showed that half of Squamish visitation is derived from day visitors, mainly from Greater Vancouver and the Fraser Valley.

The May 2014 opening of the Sea to Sky Gondola located, in part, within Stawamus Chief Provincial Park and Protected Area and adjacent to popular Shannon Falls Provincial Park has contributed to both a large increase in visitor numbers in Squamish and a shift in the visitor profile due to the many soft (light) adventure travellers that the gondola attracts.

Operating success for the gondola operation came fast thereby demonstrating a travel market appetite for another nature-based experiential attraction in the Vancouver to Whistler corridor. In January 2017, the gondola hosted its millionth customer (Sea to Sky Gondola 2017). On this basis, over slightly less than three full operating years, the gondola annually averaged about 330,000 customers.¹

Direct Spending of Tourists

A wide variety of goods and services are bought by tourists in Squamish to create their Squamish tourism experiences, including accommodation for those staying overnight (and not with a friend or relative), food and beverages, attraction entrance, equipment rentals, event entrance, tour and guiding fees, shopping for non-food items, and local transport outlays. The direct spending by tourists represents the gross revenues earned by Squamish tourism sector enterprises and organizations.

The estimated 615,600 visitors to Squamish spent an estimated total of \$95.2 million in 2018, a per visitor average of \$155. This 2018 level of direct tourism spending in Squamish is a 282% increase (13% annual average) over the estimated 2008 level of \$25.3 million.

¹ The term visitor is used here but refers to visits as a portion of the unique visitors to the gondola operation do so more than once during the year. About 320,000 gondola customers on average were tourists, i.e. non-residents of the Squamish area.



This increase in tourist spending comes despite a modestly increasing supply of traditional fixed roof accommodation in Squamish and is in part due to higher occupancy rates at traditional fixed roof accommodation, higher average room rates (which are underpinned by higher Squamish visitation demand) and a surge in supply of vacation rental units (short-term rentals) in Squamish.

Whereas Squamish's conventional hotel and motel accommodation capacity has stayed relatively flat in recent years, the supply of online platform offered vacation rentals in the Squamish area increased to an estimated 507 units in 2019Q3, a 300% rise over the 3-year 2016Q3 – 2019Q3 period (AirDNA 2020). Based on an estimate of 975 rooms of traditional fixed room accommodation (in the summer high season) for Squamish plus an estimate of approximately 500 units of online platform offered vacation rentals, the total supply of fixed roof accommodation in Squamish is currently about 1,475 rooms/units. At this time, vacation rentals account for about one-third of the total supply of fixed room accommodation in Squamish.

Taking into account the online offered vacation rentals segment in addition to the traditional fixed roof accommodation segment, the estimated gross revenues of the overall fixed roof accommodation sector in Squamish reached an estimated \$19.5 million in 2019. The estimated increase in gross revenues of the Squamish fixed roof accommodation over the 2011-2019 period was approximately 275%, an annual average rise of 16%.

Total Economic Impacts of Squamish Tourism Sector

The direct spending of the visitors to Squamish in 2018 supported an estimated total of 788 jobs in Squamish, 303 jobs in the rest of BC and 1,030 jobs province-wide. This Squamish tourism sector direct job figure represents about 9% of the total workforce in Squamish. The direct employment impact in Squamish is estimated as 727 jobs (and an associated \$28.4 million of employment income, an average annual income of approximately \$39,000). This is employment at local businesses and organizations at which visitors spent monies during their stay in Squamish. A further 37 jobs were supported in local businesses that are downstream in the supply chain to the front-line Squamish enterprises and organizations that are selling services and goods directly to visitors. The total employment impact also included 24 jobs at local businesses and organizations supported by the spending on household goods and services of this direct and indirect employment income.

On a jobs and employment income per '000 visitor basis, 1.3 jobs and \$57,700 of employment income in Squamish were supported by every 1,000 visitors in 2018.

Visitation to Squamish also supported an estimated total GDP and gross output in Squamish of \$50.1 million and \$87.7 million, respectively.



Table ES-1 presents estimates of employment, GDP, and gross output for the Squamish tourism sector in 2018 by direct, indirect, induced and total level of impacts.

ES-1: Estimates of Employment, Employment Income, GDP and Gross Output of Squamish Tourism Sector, 2018

Impact Indicator	Squamish				Rest of BC	BC
	Direct	Indirect	Induced	Total	Total	Total
Employment (jobs)	727	37	24	788	303	1,091
Employment income (\$M)	\$28.4	\$2.6	\$4.5	\$35.5	\$17.7	\$53.2
GDP (\$M)	\$40.7	\$3.8	\$5.6	\$50.1	\$29.0	\$74.0
Gross Output² (\$M)	\$75.4	\$5.4	\$6.9	\$87.7	\$46.9	\$134.6

Tourism Competitive Dynamics

The main objectives of this part of the project were to understand the recent levels and trends in visitation, i.e. demand for Squamish demand tourism products and services, and the supply of Squamish area tourism products and services and consider why employees, industries and businesses in the Squamish tourism sector are doing well or experiencing difficulties. While our sectoral analysis learned from the past and created an understanding of the present, our focus was on forward thinking in order to contribute to local proposals for potential action. For this part of the project, 18 Squamish tourism or recreation sector participants were interviewed about several topics that addressed Squamish tourism competitive dynamics. The Top Priorities section of the Tourism Competitive Dynamics is presently under review by partners.

² The gross output figure is less than the total direct spend estimate because gross output is equal to the spend on goods and services produced in BC. The (BC) gross output figure is calculated as tourist direct spending minus dollar value of imports used for production of goods and services minus consumer taxes minus indirect taxes on production of goods and services.



1 Introduction

1.1 Purpose

This report presents estimates of Squamish tourism visitation and economic impacts of the Squamish tourism sector in 2018 and an analysis of recent competitive dynamics of the Squamish tourism sector. The report includes the following.

- An estimate of tourism visitation in 2018 to the Squamish area, and a comparison to a 2008 estimate.
- An estimate of direct spending of visitors to Squamish in 2018, and a comparison to a 2008 estimate.
- An in-depth quantitative estimate of the economic impact in 2018 of Squamish's tourism sector.
- An examination of the Squamish tourism sector's recent trends and factors underlying these trends.
- Perceptions of Squamish tourism sector participants about issues and priorities for further development of the local tourism sector.

1.2 Study Area

The study area encompasses the area that Tourism Squamish markets to visitors in Canada and internationally. This area in the Sea to Sky Corridor is anchored by the District of Squamish and extends between Britannia and Brackendale and includes Paradise Valley and Squamish Valley. The bulk of the tourism attractions and businesses that cater to visitors are located within the boundaries of the District of Squamish.

The area marketed by Tourism Squamish is situated within the unceded core traditional territory of the Skwxwú7mesh Úxwumixw (Squamish Nation).³ A portion of these lands are also part of the traditional lands occupied by the Tsleil-Waututh Nation. Figure 1-1 shows many of the main tourism sector features, attractions and amenities in the study area.

³ The word 'Squamish' is an English adaptation of the word 'Skwxwú7mesh', which means "Mother of the Wind" and "people of the sacred water" in the Skwxwú7mesh/Squamish language. Within this report, 'Squamish' and 'Squamish Nation' are used as per the practice in Government of BC and District of Squamish documents.



Figure 1-1 - Study Area Map



1.3 Overview of Research Approach for Estimation of Visitation and Economic Impacts

The quantitative estimates for 2018 visitation and economic impacts of the Squamish tourism sector were based on a research and analysis process that incorporated the following elements.

- Email-based survey of operators of traditional fixed roof accommodations, campgrounds and RV parks in the Squamish area, which was carried out by Tourism Squamish and Destination BC.
- Data on volume and revenues of online platform vacation rentals offered in Squamish.⁴
- In-person intercept survey of visitors to the Squamish area, which was undertaken by Tourism Squamish.
- Modelling to estimate visitation and direct spending of tourists in Squamish, which was carried out by Destination BC and Crane Management Consultants Ltd. (Crane Management).
- Input-output (I-O) modelling to estimate economic impact of the Squamish tourism sector, which was carried out by Pacific Analytics Ltd. and Crane Management.
- In-person and phone interviews with Squamish area tourism sector participants and research of secondary source data and information on Squamish area tourism (Crane Management).

Each aspect of this research and analysis process is further described, including sources of data and information, in Appendix I.

1.4 Overview of Research Approach for Analysis of Tourism Competitive Dynamics

Our general approach was to focus on economic performance and its drivers by the selected Squamish sectors and themes giving attention to social and environmental performance within a sustainable development framework. Success by businesses and industries translates into productivity and economic growth in the Squamish area and in the province and the nation. The main objectives of this part of the project were to understand the recent levels and trends in visitation, i.e. demand for Squamish demand tourism products and services, and the supply of Squamish area tourism products and services and consider why employees,

⁴ Sourced via AirDNA LLC.



industries and businesses in the Squamish tourism sector are doing well or experiencing difficulties. While our sectoral analysis learned from the past and created an understanding of the present, our focus was on forward thinking in order to contribute to local proposals for potential action.

For this part of the project, the research process incorporated results from the Intercept Survey carried out by Tourism Squamish in 2019 and the survey of Squamish visitor accommodation providers carried out by Tourism Squamish and Destination BC. Also drawn upon were data and information from several other secondary sources, including BC Parks, AirDNA, Destination BC and a few Squamish area tourism attractions. In addition, we posed several questions to 18 Squamish tourism sector participants, either in-person or by phone, about several local tourism business matters, what we call “key issue research questions”. The answers to the “key issue research questions” helped provide the basis for summing up the overall current situation of the Squamish tourism sector and putting it into perspective.



2 Squamish Visitation and Tourist Direct Spending in 2018

2.1 Visitation

In 2018, an estimated 615,600 visitors came to Squamish for either a day visit or a stay of one or more nights

This 2018 level of 615,600 visitors is a 290% increase over the estimated level of 157,700 visitors for Squamish in 2008.⁵ Over the 11-year 2008-2018 period, visitation to Squamish increased by an annual average of 13%.

The 4-month summer season accounted for a high proportion of Squamish visitors, an estimated 52% of the total 2018 visitation, approximately 320,000 visitors. The higher volume of summer season visitors is due to the outdoor-focused activities in the Squamish area that are popular with both visitors and residents, and include hiking, mountain biking, kiteboarding, rock climbing, lake swimming, Sea to Sky Gondola and general sightseeing.

During the summer high season, day use visitors account for about half of Squamish visitors

In 2018, approximately 325,000 visitors stayed one or more nights at a commercial accommodation facility and almost 260,000 visitors were day visitors who came for a day to Squamish to enjoy one or more of the tourism experiences on offer.⁶ In addition, an estimated 31,000 visitors stayed one or more nights with friends and relatives in Squamish.

The traditional fixed roof accommodation facilities (which includes hotels, motels, inns, hostels and university residences rented in the summer months) hosted an estimated 154,000 visitors across the 2018 year. The online platform fixed roof accommodation (referred to as either vacation rentals or short-term rentals (STRs)) hosted an estimated 41,600 visitors in 2018, approximately a fifth of the total visitation that used fixed accommodation in Squamish in 2018.

Commercial campgrounds and campground/RV parks are an important source of accommodation for Squamish visitation, especially in the summer high season. Over the

⁵ See Tourism Planning Group 2009a

⁶ The day visitor estimate, and therefore the 2018 total visitor estimate too, we regard as conservative. Surveying of visitors to Squamish for the Intercept Survey did occur at the popular local attractions and amenities, including a few trailheads, but for cost and interview efficiency reasons, interviews did not occur at all local trailheads. Of course, use of the hiking and biking trails in the summer months are enjoyed by overnight visitors as well as day visitors (and residents) but in the summer months, especially in June and September, we see day visitors outnumbering overnight visitors on these trails.



course of 2018, an estimated 130,600 visitors stayed in Squamish area campgrounds and campground/RV parks.⁷

Table 2-1 presents the 2018 visitation estimate by accommodation and day visitor categories for Squamish, along with the 2008 estimate.

Table 2-1: Visitation estimate for Squamish Tourism Sector (# of visitors), 2018 and 2008

Accommodation category	2018	2008
Traditional commercial fixed roof	154,000	50,400
Leisure	127,100	34,400
Business	26,900	16,000
Vacation rentals	41,600	NA
Campgrounds and campground/RV Parks	130,600	34,500
Total visitors in commercial accommodations	326,200	84,900
Visiting friends and relatives	31,000	19,300
Day visitors	258,400	53,500
Total visitation	615,600	157,700

Sources: Destination BC and Tourism Squamish 2020 and author's calculations; Tourism BC and Tourism Planning Group 2009b

Several factors contributed to the large increase in Squamish visitation in 2018 over 2008, and they include increased awareness of Squamish's outdoor adventure tourism experiences, improved tourism supporting infrastructure and increased local supply of tourism amenities and attractions. The specific local factors include the following.

- 2010 Vancouver Olympics boosted worldwide awareness and knowledge of Vancouver and Sea to Sky corridor tourism possibilities
- Improvements to the Sea to Sky Highway, which enhanced road transport access to Whistler and Squamish as well
- New hotel opened for 2010 Olympics, which became Sandman Hotel & Suites in 2011
- 2014 opening of Sea to Sky Gondola
- Better funded marketing efforts of Tourism Squamish through increasing Municipal and Regional District Tax (MRDT) revenues
- Continued expansion and improvement of Squamish area mountain bike trails and improvements to Squamish's kiteboarding spit area

⁷ This visitation estimate for campgrounds does not include an estimate for visitors who camp in non-commercial situations, such as on Crown Lands.



-
- Expansion and improvement of local food and beverage sector
 - Expansion of vacation rentals accommodation segment
 - Squamish music festivals

2.2 Tourist Direct Spending

In 2018, visitors to Squamish spent an estimated total of \$95.15 million, a per visitor average of \$155

This 2018 direct spend level of \$95.15 million is a 282% increase over the estimated level of \$25.3 million in 2008.⁸ Over the 11-year 2008-2018 period, tourist direct spending in Squamish increased by an annual average of approximately 13%.

A wide variety of goods and services are bought by tourists in Squamish to create their Squamish tourism experiences, including accommodation for those staying overnight (and not with a friend or relative), food and beverages, attraction entrance, equipment rentals, event entrance, tour and guiding fees, shopping for non-food items, and local transport outlays.

Although Squamish has a large volume of day visitors, the total spending in Squamish of this visitor segment is considerably smaller than the spend of visitors staying overnight in commercial accommodation

In 2018, the approximately 325,000 Squamish visitors who stayed at a commercial accommodation facility, such as a hotel or a vacation rental or a campground, spent an estimated total of \$79.4 million in Squamish.⁹ Although Squamish has a large volume of almost 260,000 day visitors, the total spending in Squamish of this visitor segment was considerably smaller by comparison, a total estimate of \$9.2 million, because each day visitor stay is of a few to several hours and their estimated per day spending on non-accommodation items is lower, an estimated average of \$35 per day versus an average of \$75 a visitor staying at a local hotel for example.

Spending by Squamish visitors staying at vacation rentals accounted for almost a third of the total spend by visitors staying at a Squamish commercial fixed roof accommodation facility

⁸ See Tourism BC and Tourism Planning Group 2009a

⁹ The total figure includes spending by visitors using commercial accommodation facilities (defined as hotels, motels, inns, hostels and university residences rented in the summer months) plus spending by visitors using vacation rentals advertised and marketed on online platforms (short-term rentals).



Visitation connected to the traditional fixed roof accommodation facilities accounted for a total direct tourist spend in Squamish of an estimated \$43.1 million in 2018.¹⁰ Vacation rental visitors accounted for an estimated total direct tourist spend of \$18.2 million, which is approximately 30% of the total direct spend (\$61.3 million) attributable to visitors using a commercial fixed roof accommodation facility during their Squamish stay in 2018.

Tourists using commercial campgrounds and campground/RV parks accounted for a larger amount of expenditures in Squamish (\$14.1 million) than the day visitor segment because of their accommodation spending. The estimated per day spending on non-accommodation items by the Squamish camper segment is a little higher (\$38) than for the day visitor segment (\$35).

Table 2-2 presents the 2018 direct spending estimate for Squamish visitors by accommodation and day visitor categories, along with the 2008 estimate.

Table 2-2: Direct spending estimate for Squamish visitors (\$), 2018 and 2008

Accommodation category	2018	2008
Traditional commercial fixed roof	\$43,110,000	
Leisure	\$29,930,000	\$11,590,000 (includes campgrounds)
Business	\$13,180,000	\$7,970,000
Vacation rentals	\$18,160,000	NA
Campgrounds and campground/RV Parks	\$14,130,000	NA
Total visitors in commercial accommodations	\$75,400,000	\$19,560,000
Visiting friends and relatives	\$10,610,000	\$3,410,000
Day visitors	\$9,150,000	\$2,300,000
Total direct spending	\$95,150,000	\$25,270,000

Source: Destination BC and Tourism Squamish 2020 and author's calculations; Tourism BC and Tourism Planning Group 2009b

¹⁰ The traditional fixed roof accommodation facility category is defined as including hotels, motels, inns, hostels and university residences rented in the summer months, and as excluding vacation rentals advertised and marketed on online platforms (short-term rentals).



Table 2-3 presents an estimate of per day non-accommodation expenditures by visitor by accommodation and day visitor categories for Squamish.

Table 2-3: Estimated per day spending on non-accommodation goods and services by Squamish accommodation segments (\$)

Good or service item	Hotel-motel	Vacation rentals	Campgrounds	Visiting friends & relatives	Day Visitor
Total non-accommodation expenditure	\$75	\$71	\$39	\$69	\$35

Source: 2019 Squamish Tourism Intercept Survey data and author's calculations



3 Economic Impacts of Squamish Tourism Sector in 2018

3.1 Summary of Key Findings

In 2018, an estimated 615,600 visitors came to Squamish for either a day visit or a stay of one or more nights. Spending of these visitors in Squamish for accommodation, outdoor activities and at local attractions, stores and restaurants supports all or part of the employment (and employment income) of these local enterprises and organizations and a portion of the employment at their suppliers and at the local businesses that these employees and their families patronize. The spending of these visitors totalled an estimated \$95.15 million in 2018. This visitor spending forms the basis for several other economic impacts, including the following.

In 2018, the total direct employment impact in Squamish is estimated as 727 jobs (and an associated \$28.4 million of employment income, an average annual income of approximately \$39,000). This is employment at local businesses and organizations at which visitors spent monies during their stay in Squamish. A further 37 jobs are generated in local businesses that are downstream in the supply chain to the front-line Squamish enterprises and organizations that are selling services and goods directly to visitors. The total employment impact also included 24 jobs at local businesses and organizations supported by the spending on household goods and services of this direct and indirect employment income. The overall employment and employment income impacts in Squamish in 2018 due to the spending of the 600,000 plus visitors was 788 jobs and \$35.5 million.

On a jobs and employment income per '000 visitor basis, 1.3 jobs and \$57,700 of employment income in Squamish were supported by every 1,000 visitors in 2018.

The direct Gross Domestic Product (GDP) generated in Squamish by the tourism sector is estimated at approximately \$40.7 million, with an additional GDP impact of \$3.8 million in local supplier industries, plus an induced GDP impact of \$5.6 million, for an anticipated total GDP impact on the Squamish economy of approximately \$50.2 million. Based on this 2018 experience, the GDP co-efficient for Squamish is estimated as \$81,500 per '000 visitors.

Federal, provincial, and local tax revenue impacts due to the Squamish visitor spending in 2018 totaled an estimated \$26.6 million. However, an estimated 88% of these tax revenues were directed to the senior levels of government and only an estimated 12% (\$3.1 million) was captured at the local levels.

On a geographic basis, the largest economic impact of these visitors to Squamish stayed in Squamish. Using the employment metric to consider the geographic footprint of the spending



by Squamish visitors, Squamish captured approximately 70% of the total jobs supported in BC by the spending of the 600,000 plus visitors.

3.2 Squamish Economic Impacts

1.3 jobs and \$57,700 of employment income in Squamish were supported by every 1,000 visitors to Squamish in 2018

The direct spending of the visitors to Squamish in 2018 supported an estimated total of 788 jobs in Squamish, 303 jobs in the rest of BC and 1,091 jobs province-wide. Squamish's share of total employment from spending by tourists in Squamish was about 70% of the BC-wide employment.

The Squamish tourism sector's employment represented about 9% of the estimated total 2018 workforce in Squamish.¹¹

The estimated direct employment of 727 jobs in Squamish was connected to a range of industries, but the bulk of the Squamish direct employment was in the following industries: traveller accommodation, food services and drinking places, amusement and recreation, campground and RV parks, food and beverage stores, gasoline station, clothing retailing and sporting goods retailing.¹² The food services and drinking places industry accounted for the largest share of the direct employment, about 45% (280 jobs) in 2018 of the Squamish tourism sector. Three industries, traveller accommodation, food services and drinking places, and amusement and recreation, accounted for approximately 80% of the total direct employment in Squamish stemming from the 2018 tourist spending.

The average annual income (including employer paid benefits) of the 700 plus direct employment jobs in Squamish was about \$39,000.

The spending of these 600,000 plus tourists does not underpin every Squamish-based job in each of the above-named industries. The industries supplying services and goods directly to tourists are patronized as well by local residents and local businesses. The relative importance of tourist spending in overall revenues varies by local industry. Even the Squamish traveller accommodation industry, which consists of fixed roof accommodation facilities, draws a portion of its business revenues from local residents and enterprises through hosting

¹¹ Workforce estimate of 8,400 (author's calculation based on 2016 Census of Canada labour force data for place of work, work at home, and no fixed work address, and incoming work commuters for Squamish and 2015-2018 Squamish population growth). The stated share is applicable to the total labour force that either works in Squamish or commutes from Squamish to nearby remote areas to workers (loggers for example). This sectoral share estimate is not comparable to the sectoral percentage shares issued by BC Stats as they were based on the shares of basic sector employment and employment income (Horner 2009b).

¹² The descriptive terms used herein for these industries are based on industry terms used by Statistics Canada.



meetings, weddings, and Christmas parties and offering food service at in-hotel restaurants, etc.¹³

In addition to the impact co-efficients based on jobs and employment income per '000 visitors, impact co-efficients based on million dollars of tourist spending can be calculated as well with the 2018 economic impact estimates. The jobs co-efficients in this case are 7.6 direct jobs per million\$ of tourist spending in Squamish and 8.3 total jobs per million\$ of direct tourism spend.

\$81,500 of GDP in Squamish was supported by every 1,000 visitors to Squamish in 2018

Visitation to Squamish also supported an estimated total GDP and gross output in Squamish of \$50.1 million and \$87.7 million, respectively.¹⁴

¹³ The tourism sector as such is not defined within established sectoral and industry definitions, such as the widely used North American Industry Classification System (NAICS). The view taken in this study is that parts of several industries and sometimes all of one or two industries compose a tourism sector, and the industry composition of an area's tourism sector varies according to the spending of tourists within industries in the area under study. The traveller accommodation industry is sometimes characterized as relying 100% on tourist spending but as mentioned in this section, this industry in Squamish and certainly in many other BC communities, relies to a certain extent on local residents and businesses for a portion of their revenues.

Variations of this approach have been used by other researchers to construct a picture of a tourism sector's industry composition and the share of the industry that is supported by spending of tourists (Horne 2009b). For this study, as outlined in Appendix I, a Tourism Squamish sponsored Intercept Survey of Squamish visitors provided detailed data on spending by visitors by accommodation category and a Tourism Squamish and Destination BC sponsored survey of Squamish commercial accommodation providers offered data on accommodation spending and accommodation client volumes. With information drawn from these surveys and a few secondary sources, the industry composition of the Squamish tourism sector in 2018 was established.

¹⁴ The main components of GDP (acronym for Gross Domestic Product) are employment income and business profits (operating surplus). GDP is often referred to as Value Add or Value Added. Employment income typically makes up the largest portion of GDP.

GDP is a subset of gross output. Gross output (or economic output or gross revenue) is a measure of the total value of all produced goods and services. GDP is calculated by subtracting the cost of purchased services and goods from the total value of a sector or industry's gross output. From a spending perspective, gross output is the sum of a sector's GDP (value add) + its spend on intermediate inputs. An industry, such as traveller accommodation, buys goods and services from other industries, and organizes and allocates these goods and services, along with deploying its own employment, to create a product (in this case traveller accommodation services) of greater value (the gross output) than the sum of the goods and services (intermediate inputs) that were utilized in producing the product. The increase in value (the value add) is the value that the producer adds to the intermediate inputs as a result of the production process. This added value is then used to pay labour and taxes with a remainder for business profits.

Because the production of a sector or industry requires output from other industries, double-counting occurs within the measurement of gross output. For example, a chef buys vegetables from a local producer for \$150 and adds value to it by producing vegetarian meals that are sold for total revenues of \$300. Gross output would total \$450 - the value of all sales in the described chain of activity. The value of the vegetables is therefore counted twice—once as an intermediate good for the chef's restaurant and again in the value of the chef prepared meals. The gross output indicator is helpful for understanding interrelationships of industries within an economy but GDP is the better indicator of the contribution of an industry or sector to an economy. The GDP indicator reflects the value of the



Table 3-1 presents estimates of employment, GDP, and gross output for the Squamish tourism sector in 2018 by direct, indirect, induced and total level of impacts in Squamish and by the total level of impacts in the rest of BC and province-wide. In Appendix III is a table with a more detailed breakdown of the estimated economic impacts of the Squamish tourism sector in 2018 by each impact metric and the jurisdictions of Squamish, rest of BC, and BC.

Table 3-1: Estimates of Employment, Employment Income, GDP, Gross Output and Tax Revenues of Squamish Tourism Sector, 2018

Impact Indicator	Squamish				Rest of BC	BC
	Direct ¹⁵	Indirect	Induced	Total	Total	Total
Employment (jobs)	727	37	24	788	303	1,091
Employment (FTEs) ¹⁶	508.9	29.5	18.8	557.2	237.1	794.3
Employment income (\$M)	\$28.4	\$2.6	\$4.5	\$35.5	\$17.7	\$53.2
GDP (\$M)	\$40.7	\$3.8	\$5.6	\$50.1	\$29.0	\$74.0
Gross Output ¹⁷ (\$M)	\$75.4	\$5.4	\$6.9	\$87.7	\$46.9	\$134.6
Total federal taxes (\$M)	\$9.3	\$0.4	\$0.3	\$10.1	\$2.9	\$13.0
Total BC Government taxes (\$M)	\$7.7	\$0.3	\$0.3	\$8.2	\$2.3	\$10.5
Total local government taxes (\$M)	\$1.9	\$0.1	\$0.1	\$2.1	\$1.0	\$3.1

production of a sector or industry that is counted only once. The gross output indicator reflects a sum of sector or industry production values, as the value of a service or good is counted each time that it is sold along the supply chain.

The gross output estimate based on Squamish tourist spending is reported in Table 3-1 and Appendix III.

¹⁵ This level references the direct supply of services and goods to visitors, and the direct impact is based on the spending by visitors on services and goods during their stay in Squamish.

¹⁶ Employment effects are reported in jobs, which is the sum of full-time and part-time jobs, and in Full-Time Equivalents (FTEs), which take into account the number of hours worked in one year by full-time, part-time, and temporary employees, as well as self-employed persons. The FTE job unit transforms the different employment categories into one unit based on overall averages of full-time hours worked in one year in the business and government sectors. The employment unit of Person-Years (PYs) is an alternative term for FTEs.

The FTE job unit is used herein because many industries are represented in the economic impact modelling undertaken for this project and they have an array of full-time, part-time, and temporary employment attachment structures. The use of the FTE job unit provides a consistent approach across industries to portraying employment activity. It should be noted that a FTE represents a typical employment period in terms of hours worked for one year, and, in and of itself, a FTE should not be interpreted as a permanent or long-term, sustaining job unit of measurement.

¹⁷ The gross output figure is less than the total direct spend estimate because gross output is equal to tourist direct spending on services and goods produced in BC (i.e. value of imports used for production of services and goods are removed) minus consumer taxes minus indirect taxes on production of goods and services.



Total tax revenues (\$M)	\$18.9	\$0.8	\$0.8	\$10.5	\$6.1	\$26.6
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3.3 Rest of BC and Total BC Economic Impacts

Other than tax revenue impact, majority of BC economic impacts occurred in Squamish

The total employment in the province supported by Squamish visitor spending in 2018 amounted to an estimated 1,091 jobs. Squamish captured an estimated 72% of this province-wide employment total. About 300 jobs were supported in the rest of BC by this tourist spending in Squamish.

The distribution of GDP flowing from the Squamish visitor spend in 2018 between Squamish and the rest of the province is similar to the employment situation; 64% of the GDP in the province due to 2018 Squamish tourist spending stayed in Squamish.

Majority of indirect and induced level economic impacts however occurred in the rest of BC

The distribution of jobs between the direct, indirect and induced levels differs quite sharply between Squamish and the rest of BC. About 90% of the jobs in Squamish are at the direct level. These are the front-line tourism sector jobs at accommodation facilities, restaurants, local attractions, etc. As a smaller community, with few manufacturing plants and located within a 45 to 60-minute drive of Greater Vancouver with its many wholesaling, service and manufacturing outlets, the economic effects at the indirect and induced levels in Squamish are expected to be smaller.

As in the rest of BC, most economic effects associated with tourist spending in Squamish are expected to register at the direct level, and this result is due in part to direct delivery of tourism services in Squamish being almost wholly carried out by Squamish-based enterprises and organizations.

Of the 195 indirect jobs in BC associated with Squamish tourism spending, 81% (158 jobs) are located in the rest of BC and 19% (37 jobs) in Squamish. This experience was repeated at the induced level, which is based on household spending of direct and indirect employment incomes. Of the estimated 149 induced jobs in BC associated with Squamish tourism spending, 84% (125 jobs) are located in the rest of BC and 16% (24 jobs) in Squamish.

The indirect effects are generated through the purchase of goods and services from upstream suppliers by Squamish tourism sector enterprises and organizations. Food retailers and wholesalers are primary suppliers to the front-line tourism enterprises but they in turn purchase a wide range of goods and services to sustain their operations. The indirect level effects of the tourism sector in Squamish and the rest BC tends to be lower compared to more capital-intensive industries, such as sawmilling, because tourism sectors are more labour



intensive and rely less on intermediate goods and services inputs. This factor translates into less downstream supply chain (indirect) effects. The induced level (i.e. household spending) effects of the tourism sector in Squamish and the rest of BC tend to be lower because of the relatively lower employment incomes in the industries that comprise the tourism sector.

Tax revenues generated by Squamish visitor spending are substantial, equivalent to half the amount of employment income supported by Squamish visitor spending

Many types of visitor expenditures (e.g., spending on vehicle gas and alcohol products) include embedded taxes, as well as GST and PST paid on the final purchase price. As a result, the tax impact associated with direct expenditures of visitors is quite high. Total federal, provincial, and local tax revenue impacts (including commodity and income taxes) in the province are estimated at \$26.6 million, including \$18.9 million attributable to direct impacts in Squamish and only \$0.3 million attributable to direct impacts in the rest of the province. The indirect and induced level of tax impacts are lower in Squamish and higher in the rest of the province as the spending on goods and services at the indirect and induced levels is much higher in the rest of the province than in Squamish.

The \$26.6 million of total tax revenues is 50% of the total employment income of \$53.2 million generated in the province via Squamish visitor spending in 2018.

Most of the tax revenues are earned by the Federal and BC Governments

Of the \$26.6 million in total tax revenues generated in the province through the spending of Squamish visitors in 2018, an estimated 88% was directed to the senior levels of government and only an estimated 12% (\$3.1 million) was captured at the local levels.¹⁸

¹⁸ In Appendix III is a detailed summary of the tax revenue economic impacts. An estimate is included for “property, business & other municipal taxes” for “Municipal & Regional District” taxes in this table but the estimate for this category of taxes should be regarded as an underestimate and not of the same quality in terms of accuracy as the other tax estimates, which are largely based on estimates of income and goods and services expenditures.



4 Squamish Tourism Sector Dynamics

4.1 Visitation Levels and Trends

Visitation to Squamish increased an estimated 280% over the 2008-2018 period

In a BC Government led project, the number of visitors to Squamish over the course of 2008 was pegged at an estimated 157,700 (Tourism British Columbia and Tourism Planning Group 2009a). A little over a decade later, a similar project arrived at an estimate of 615,600 visitors in Squamish for 2018 (Destination BC 2020)¹⁹. The projects used similar estimation methodologies and included estimates of both overnight visitors and day visitors and business and leisure purpose visitors.

The District of Squamish has often been cited as amongst the top tier of fastest growing communities in the province and the country. Over this 2008-2018 period, Squamish's estimated population rose by 32% to 21,229, a 2.5% annual growth rate (BC Stats June 2019). By comparison, Squamish visitation increased much more rapidly than the community's population, by 290% over this 11-year period and demonstrated an average annual growth rate of 13%.

A large volume of day visitors is an important feature of tourism in the Squamish area. During the summer high season, the Squamish Tourism Intercept Survey of more than 1,800 visitors to Squamish showed that half of Squamish visitation is derived from day visitors, mainly from Greater Vancouver and the Fraser Valley.

In recent years, the opening and success of the Sea to Sky Gondola has markedly driven up Squamish visitation

The May 2014 opening of the Sea to Sky Gondola located, in part, within Stawamus Chief Provincial Park and Protected Area and adjacent to popular Shannon Falls Provincial Park has contributed to both a large increase in visitor numbers in Squamish and a shift in visitor profile segments due to the many soft (light) adventure travellers that the gondola attracts. Operating success for the gondola operation came fast demonstrating a travel market appetite for another nature-based experiential attraction in the Vancouver to Whistler corridor. The gondola's immediate success was felt elsewhere in the local tourism sector. In 2014 (with the gondola) compared to 2013 (without the gondola), it was reported that:

- visitors seeking information at Squamish Adventure Centre increased by 37%;
- tour buses stopping at Squamish Adventure Centre increased by 40%;
- traffic on the Tourism Squamish website increased by 32%; and

¹⁹ Not yet published



-
- hotel occupancy increased by 10% (Colebourn 2015).

This broader effect of the gondola has been noticed outside of Squamish; for example, Destination BC's CEO referenced the gondola when stating there is a need in the province to develop new tourism products to drive visitor interest. She said, "Look at the Sea to Sky Gondola and the changes it has created in this corridor since it was introduced: [they] are significant" (Barrett 2019)

In January 2017, the gondola hosted its millionth visitor (Sea to Sky Gondola 2017). On this basis, over slightly less than three full operating years, the gondola annually averaged about 330,000 visitors.²⁰ An estimated 80% of gondola visitors travel to the Squamish area specifically to ride the gondola, use its trails and take in its views of Howe Sound, Tantalus Mountain Range, Sky Pilot peak and Mount Atwell; the other 20% were travellers with Whistler as their ultimate destination (Colebourn 2015). The gondola operation markets and services both residents and non-residents but only a relatively small portion of its customers (approximately 3% in 2018) reside in the Sea to Sky corridor area (pers. comm. Sea to Sky Gondola November 2019).²¹ About 320,000 gondola visitors on average were therefore non-residents, i.e. tourists as defined in this study.

The gondola also became an important local employer with a high season staff of about 150. About 75 seasonal staff were laid off subsequent to the sabotage of the gondola's cable in early August 2019 (Bartlett 2019). The facility has scheduled a re-opening for February 14, 2020.

Other tourism sector data also point to higher visitation in the Squamish area

Some larger tourism sector amenities collect visitation related data on a regular basis. The Squamish area has several long-established provincial parks and for the past decade BC Parks has estimated visitation at most of the provincial parks in the province. From a Squamish economy perspective, the visitation trend at each of Shannon Falls, Stawamus Chief and Alice Lake provincial parks are of most interest as each is situated within municipal boundaries, each is readily accessible from Highway 99 and each offers a different outdoor experience for visitors to the Squamish area. Over the 2007-08 to 2016-17 decade, annual day visitor attendance increased at each of Shannon Falls (286%), Stawamus Chief (36%) and Alice Lake

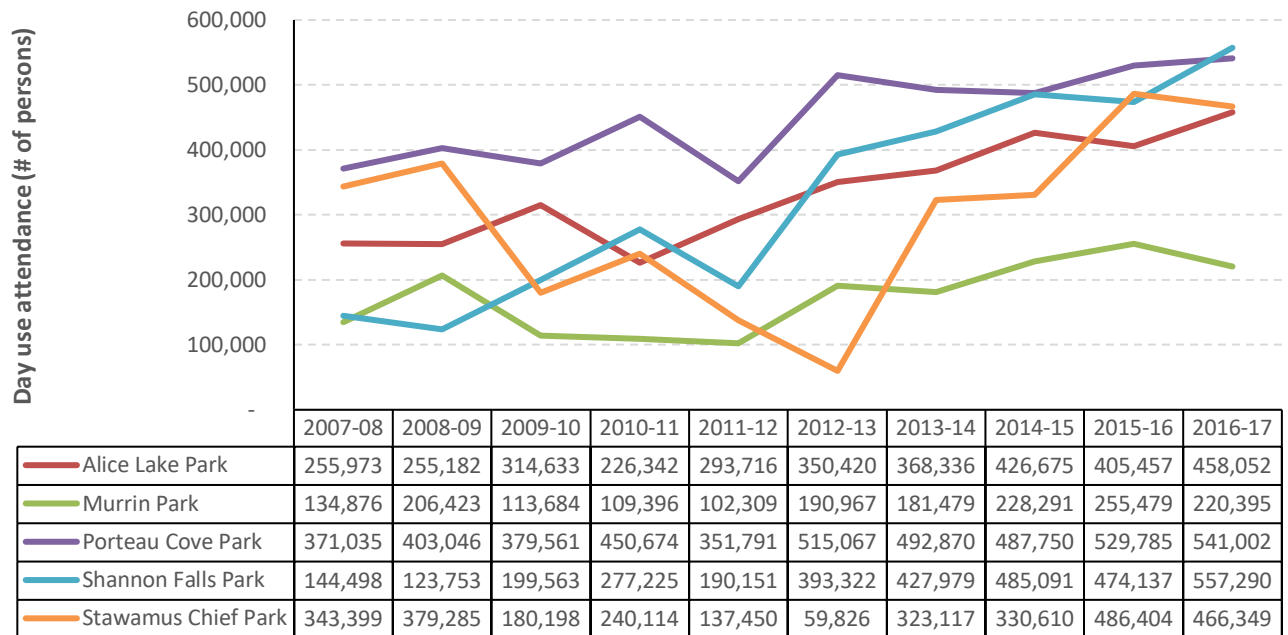
²⁰ The term visitor is used here but refers to visits as a portion of the unique visitors to the gondola operation do so more than once during the year.

²¹ This resident portion of visitors/visits includes persons who visit more than once, such as local residents who have an annual pass for the Sea to Sky Gondola.



(79%) provincial parks. Figure 4-1 shows the estimated annual volume of day visitors²² and the trend over this recent decade for the Squamish area provincial parks.²³

Figure 4-1: Day use attendance at Squamish area provincial parks (# of persons), 2007/08 – 2016/17



Source: BC Parks various years

Visitors to the Squamish Adventure Centre increased by almost 290% over the 10-year 2010-2019 period

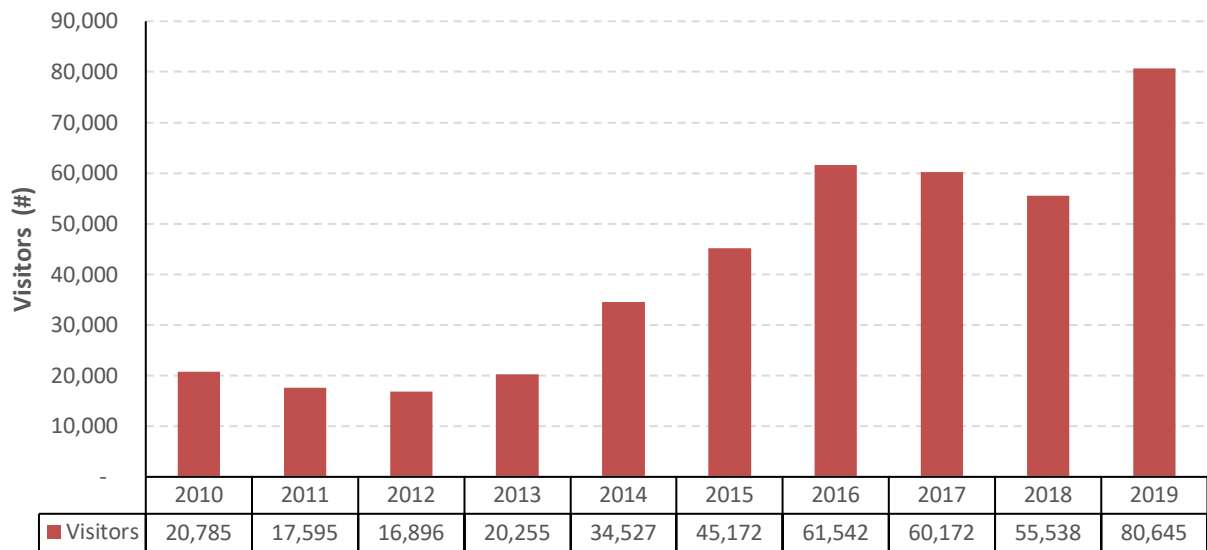
Several dimensions of visitation at the Squamish visitor centre are tracked and reported on a monthly basis. The number of estimated visitors at this facility abutting Highway 99 in the middle of Squamish went from approximately 21,000 visitors in the 2010 Olympic year to 80,000 plus visitors in 2019, a 288% overall increase, and an average annual increase of 14.5%.²⁴ This increase in use of the local visitor centre roughly corresponds to the increase in visitation for Squamish reported in Section 2.1 for the 2008-2018 period. Figure 4-2 shows the annual level and trend in visitors at the Squamish Adventure Centre.

²² These parks have a substantial amount of patronage by local residents and BC Parks does not attempt to estimate the annual level of park visitors by the two segments of local resident visits and non-resident visits. Therefore, the annual trend in attendance (visits) is more informative than the annual levels in terms of tourism sector economic effects because the trend points to the likely percentage change in attendance over the shown decade and year over year by persons who reside outside of the Squamish area.

²³ To help estimate visitor attendance, BC Parks uses vehicle axle counters at the entrances to Squamish area provincial parks.

²⁴ The number of buses stopping at the visitor centre are tracked as well, and they increased by 370% over the 2010-2019 decade.



Figure 4-2: Visitors at the Squamish Adventure Centre (number), 2010 - 2019

Source: Destination BC 2020

Revenues of Squamish traditional fixed roof accommodation facilities have steadily increased

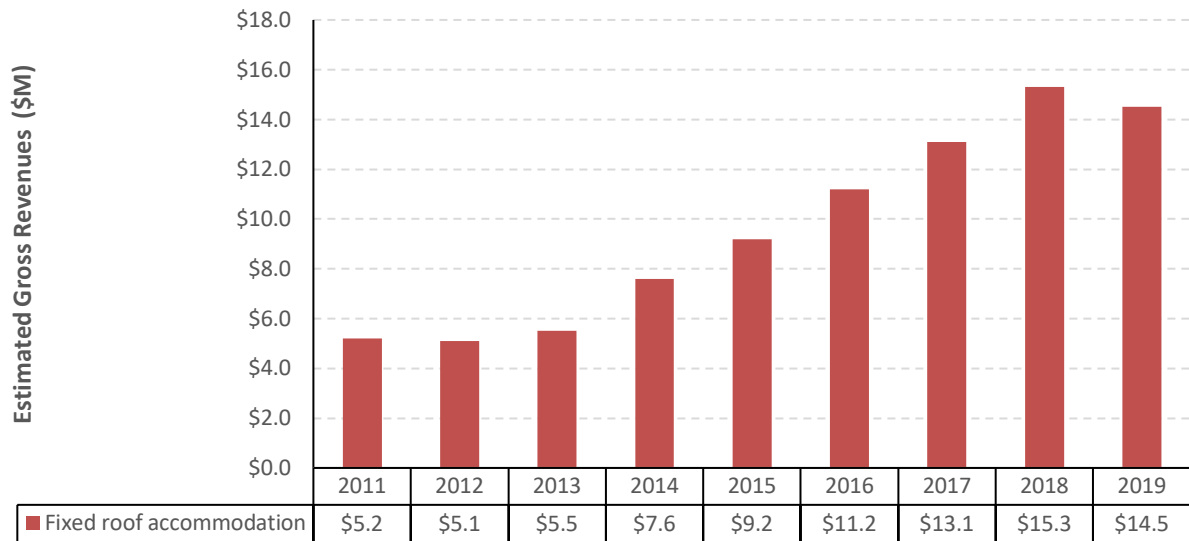
As outlined in Section 3.4, the supply of traditional fixed roof accommodation in Squamish has experienced only modest change; the last major change took place in 2010 with the opening of a Holiday Inn Express (purchased in 2011 by Northland Properties and re-branded as Sandman Hotel and Suites). Municipal and Regional District Tax (MRDT) revenue levels and their trend over time in Squamish provide an avenue for estimating visitor accommodation derived revenues and a read on visitor demand for the accommodation services of local hotel, motel, inn and bed and breakfast operations.²⁵ The MRDT rate in Squamish was 2% for several years until November 2018 when it was upped to 3%. Using these rates and MRDT revenue data from BC Ministry of Finance, the estimated annual revenue levels and trend connected to use of Squamish fixed roof accommodation are shown in Figure 4-3. Over the shown 2011–2019 period, the estimated gross revenues of this segment of the Squamish tourism sector increased by 178%, and an annual average of 12%.²⁶

²⁵ This accommodation segment includes Quest University room supply for visitors in the May through August period.

²⁶ The estimates of gross revenues take account of the change in MRDT rate and include an estimate of MRDT revenues for 2019Q4 (as actual MRDT revenue data have not been released by BC Ministry of Finance at the time of this report's preparation). BC Stats publishes estimates of room revenues using MRDT data supplied by BC Ministry of Finance but this published revenue data undercounted Squamish hotel and motel revenues in several years due to BC Stats suppressing some data. The revenue data in Figure 4-3 takes account of all fixed accommodation revenue in Squamish that has been subject to the MRDT.



Figure 4-3: Estimated gross revenues of Squamish traditional fixed roof accommodation providers based on MRDT revenues (\$millions), 2011-2019



Source: BC Ministry of Finance and author's calculations

This increase in revenues for the traditional fixed roof accommodation segment comes via modestly increasing room and bed supply (such as additional Quest University units coming onstream in 2014 and renovation of Inn of the Waters into the HI Squamish Adventure Hostel) and higher occupancy rates and higher average room rates (which are supported by higher Squamish visitation demand).

Vacation rentals have become an important factor in meeting the demand from visitors for Squamish accommodation

The number of Squamish online offered vacation rentals from 169 to 507 units over the 2016Q3 – 2019Q3 period (Air DNA 2020). In Q4 of 2018, owners of Squamish online offered vacation rentals began paying MRDT (at a 3% rate). Over the initial 9 months of 2019, MRDT revenues from the online offered units accounted for 28% of total MRDT revenues from Squamish fixed roof accommodation providers. In the 2019 Intercept Survey of summer season visitors to the Squamish area, 33% of the interviewed visitors who stayed in a commercial fixed roof accommodation facility (i.e. excluding homes of friends and relatives) did so in a vacation rental or bed & breakfast unit.

Taking into account the online offered vacation rentals segment in addition to the traditional fixed roof accommodation segment, the estimated gross revenues of the overall fixed roof accommodation sector in Squamish reached \$19.5 million, and this tourism sector segment's



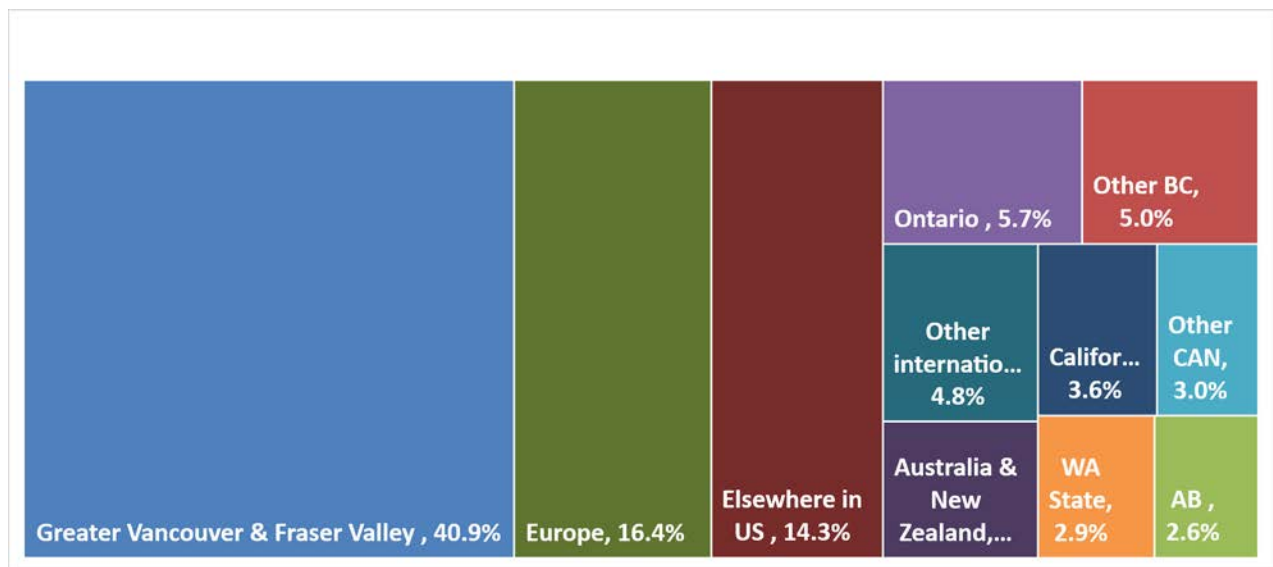
estimated increase in gross revenues over the 2011-2019 period was approximately 275%, an annual average rise of 16%.²⁷

4.2 Geographic Origin of Visitors

A large portion but still a minority of day visitors to the Squamish area are from Greater Vancouver and the Fraser Valley

Even though Squamish is a 45 to 90 minute highway drive from points in Greater Vancouver and the Fraser Valley, these populations accounted for only an estimated 40.9% of day visitors during the 2019 summer season. Other points in BC, mainly Whistler and Pemberton were the source of an 5.0% of the day visitors. A majority (54.1%) of day visitors to the Squamish area are from either Europe, the US, other parts of Canada and a few other international jurisdictions. These day visitors from Europe and other distant areas however are (mainly) Greater Vancouver and Whistler overnight visitors. These results point to opportunities to convert a portion of these non-regional day visitors to overnight visitors in the Squamish area and the importance of marketing Squamish tourism experiences to tourists who are staying in Greater Vancouver and Whistler. Figure 4-4 presents the percentage distribution of day visitors to the Squamish area by geographic origin.

Figure 4-4: Geographic origin of day visitors to Squamish area, percentage distribution (%), June – August 2019



Source: 2019 Squamish Tourism Intercept Survey data and author's calculations

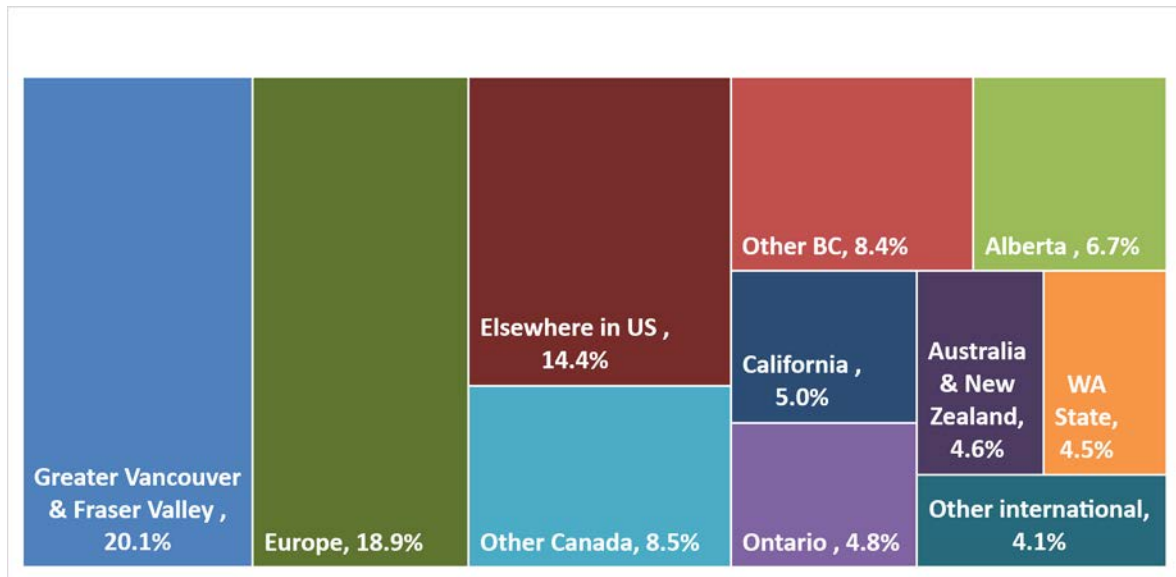
²⁷ The percentage increase is likely a small overestimate as data is not available for the 2011-2015 years for the number of vacation rental units in Squamish.



The geographic shares of overnight visitors to the Squamish area in its tourism high season may be a surprise to some

The portion of high season overnight visitors drawn to Squamish from the nearby large populations of Greater Vancouver and the Fraser Valley is relatively modest, 20.1%, based on the 2019 Intercept Survey results. So too the portion from the nearby population centres in northwest Washington state, 4.5%. Europe accounted for high share of Squamish's overnight visitors in the Intercept Survey, 18.9%. Figure 4-5 presents the percentage distribution of overnight visitors to the Squamish area by geographic origin.

Figure 4-5: Geographic origin of overnight visitors to Squamish area, percentage distribution (%), June – August 2019



Source: 2019 Squamish Tourism Intercept Survey data and author's calculations

4.3 Main Trip Purpose

The main trip purpose of day visitors to the Squamish area was the activity of 'general sightseeing', 45.6%

In the Intercept Survey conducted in June through August 2019, this general sightseeing category captured a range of more specific activities undertaken at one or more locations but points to a large portion of day visitors pursuing soft (or light) outdoor activities.²⁸ These visitors may have visited the Sea to Sky Gondola and/or Shannon Falls Provincial Park, and/or downtown Squamish, etc. Although 'riding the Sea to Sky Gondola' was self-identified as a specific activity by about 8% of day visitors in the Intercept Survey results, a portion of

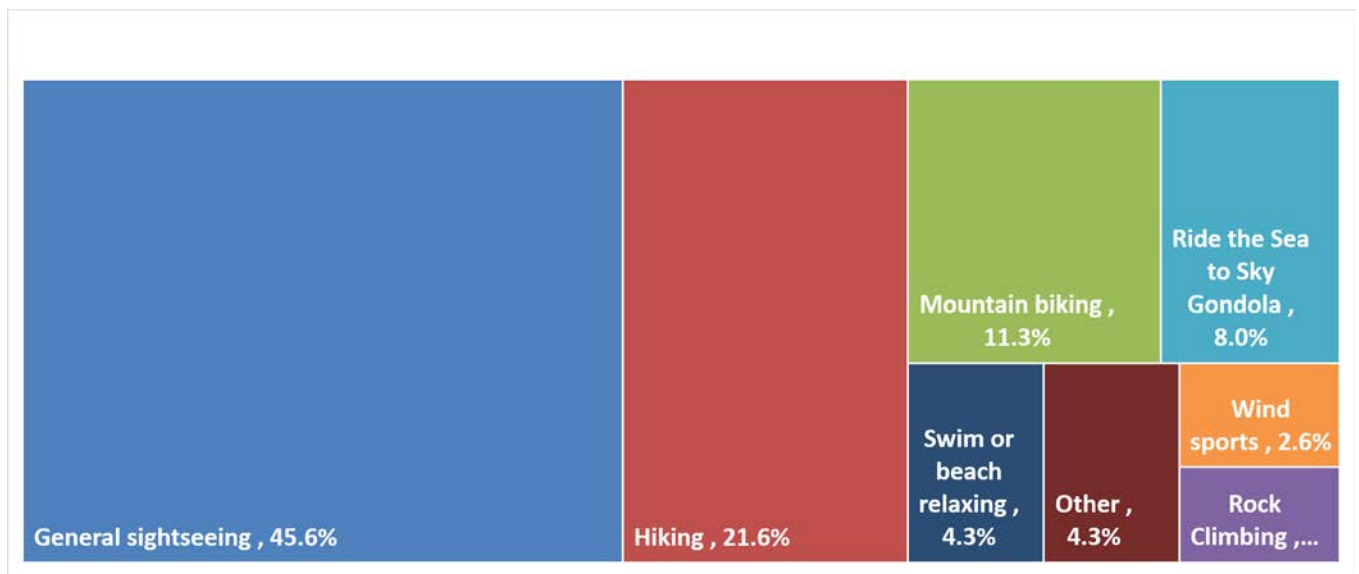
²⁸ The terminology describing tourists undertaking outdoor adventure activities that is used by Destination BC is adopted for this study and report.



the ‘general sightseers’ are perceived to have visited the gondola during their day visit to the Squamish area. As well, a portion (18%) of the day visitors who listed hiking as their main purpose also identified the gondola’s hiking trails as the ones that they plan to hike (or did hike).

The largest portion of day visitors who identified a specific activity as their main trip purpose was the day hiker group, at 21.6%. Most of their hikes, as expected, were on the Stawamus Chief trail, 77.4%. The segment of day visitors pursuing more hard adventure activities, consisting of mountain biking, rock climbing, and kayaking and paddle boarding, accounted for about 16% of day visitors in the Squamish area during these high season months.²⁹ Figure 3-5 presents the distribution of day visitors by main trip purpose to the Squamish area.

Figure 4-6: Main trip purpose of day visitors to Squamish Area, percentage distribution (%), June-August 2019



Source: 2019 Squamish Tourism Intercept Survey data and author’s calculations

²⁹ In terms of representativeness of the Intercept Survey sample, main trip purpose (and associated activities) is the most challenging to address. The interviews were conducted in-person at several locations throughout the Squamish area. But the choice of locations and the amount of interviewing time at each location influences the results of the trip purpose question. The results of the 2018 Intercept Survey were used to help make decisions about interview locations and time spent at each location. Based on a review of visitation estimates for provincial parks in the Squamish area and for a few attractions and a reading of reports on mountain biking and rock climbing in the Squamish area, the results from the 2019 Intercept Survey on the trip purpose questions, which provide an overarching view of why visitors come to Squamish, appear to be reliable for the purposes of furthering understandings about this important driver of Squamish tourism.

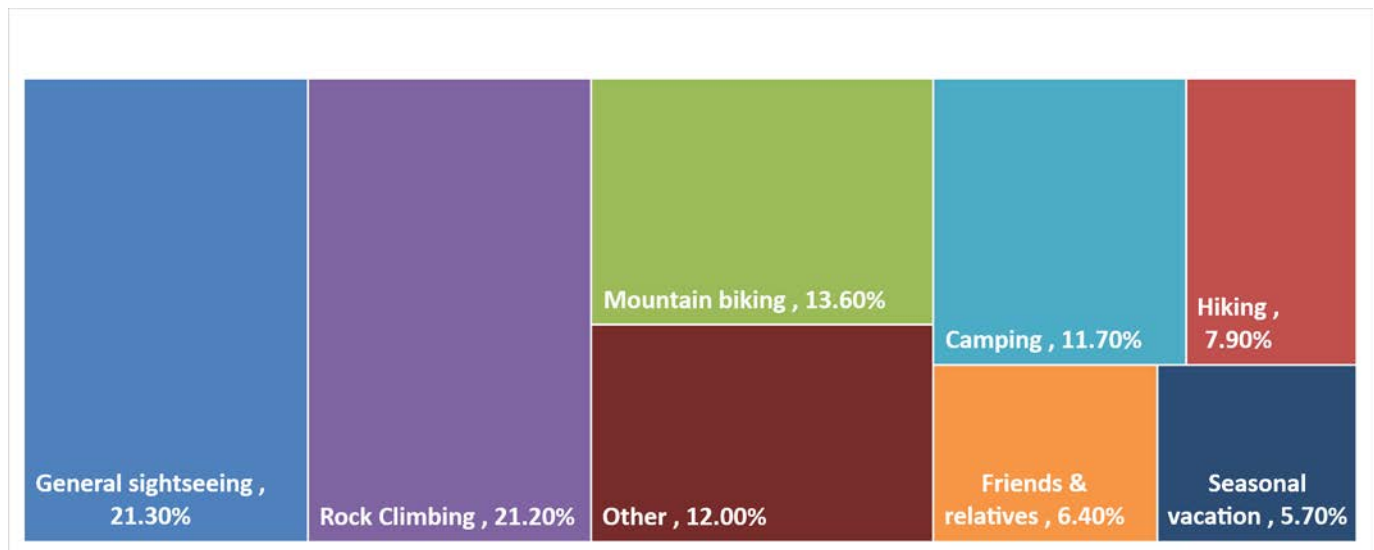


The Intercept Survey results indicated that rock climbing was a main trip purpose for many overnight visitors to Squamish during the summer months

Visitors staying overnight in Squamish and pursuing general sightseeing activities accounted for almost the same share (21.3%) of Squamish overnight visitors as did those coming for rock climbing (21.2%). In general, the latter, however, stayed in campgrounds. The segment of visitors pursuing more hard adventure activities, consisting of mountain biking, rock climbing, and kayaking and paddle boarding, accounted for about 37% of the overnight visitors in the Squamish area during the high season months.

The share of camping (11.7%) as a main purpose exceeded hiking's share (7.9%), which is still relatively high. Figure 3-6: Main trip purpose of overnight visitors to Squamish Area, percentage distribution (%), June-August 2019. Figure 3-6 lays out the distribution of overnight visitors by main trip purpose to the Squamish area.

Figure 4-7: Main trip purpose of overnight visitors to Squamish Area, percentage distribution (%), June-August 2019



Source: 2019 Squamish Tourism Intercept Survey data and author's calculations

Outdoor adventure travellers, whether looking for 'soft' or 'hard' adventures, characterize Squamish area visitors

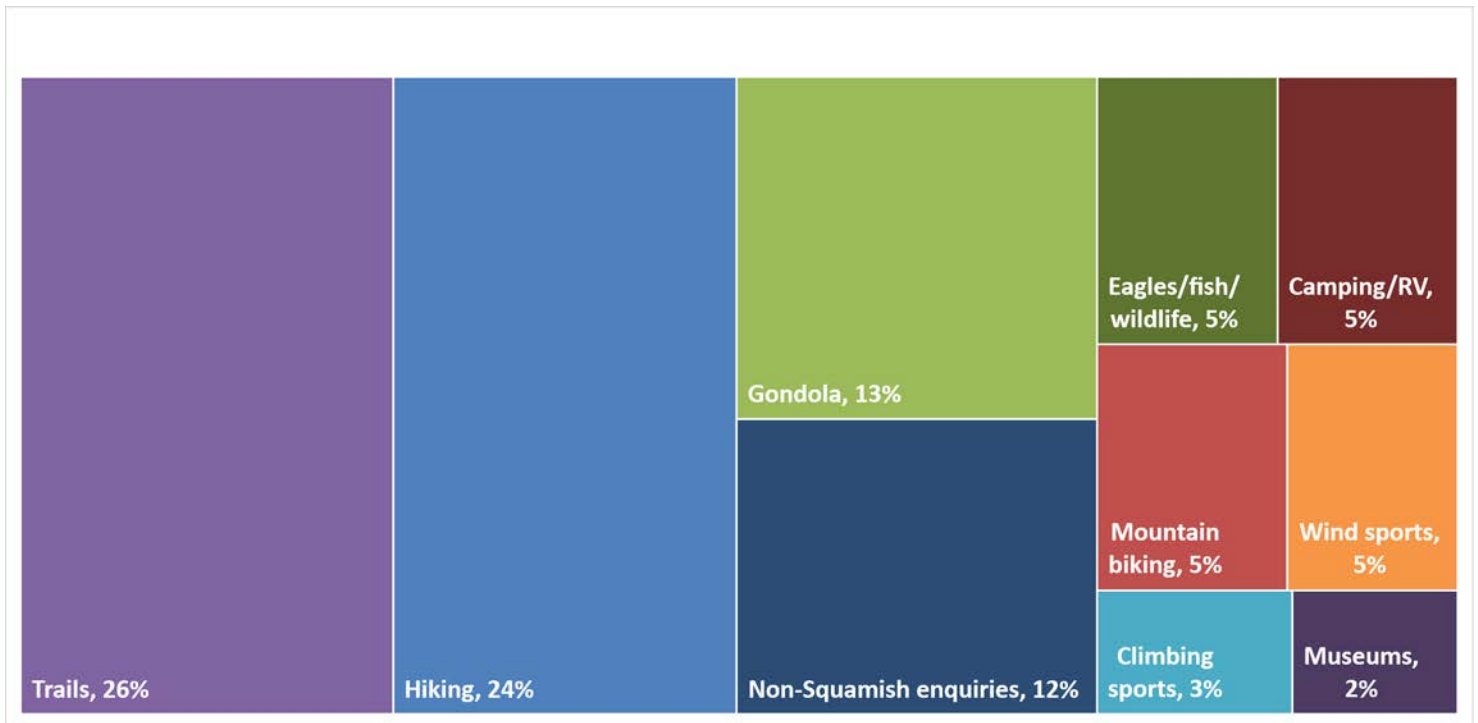
The strength of Squamish's tourism assets are its nature-based experiences on offer and these are evidently what visitors, whether from Vancouver or Seattle or somewhere in Europe, travel to Squamish to enjoy. A third of all interviewed visitors cited 'general sightseeing' as their main purpose, about a quarter stated a hard adventure activity, like mountain biking or rock climbing, was their main purpose in coming to Squamish, and 14% said hiking brought them to Squamish. These results reinforce some of the ideas behind the 'hardwired for adventure' branding exercise but they also point to soft adventure visitors



being the larger segment of Squamish area tourists at this juncture. In part, this situation has evolved in Squamish mainly due to the opening of the Sea to Sky Gondola. All major segments account for more visitors but that 'soft adventure' segment has expanded faster in the past few years.

The information enquiries made by visitors at the Squamish Adventure Centre also yield an understanding of the activity interests of Squamish visitors. Enquiries about either Squamish area trails, hiking or the Sea to Sky Gondola accounted for 63% of all enquiries at the Squamish Adventure Centre in 2018. Figure 4-8 shows information enquiries by activity for 2018.

Figure 4-8: Distribution of information enquiries by visitors at the Squamish Adventure Centre, 2018



Source: Tourism Squamish



4.4 Accommodation Supply

Visitation growth in Squamish despite no new hotel or motel construction in recent years

During the summer high season, across 13 fixed roof accommodation facilities, a total of approximately 975 units or rooms are on offer in Squamish.³⁰ This supply consists of approximately 470 hotel rooms, 45 motel rooms, and 460 rooms/units in other fixed roof accommodation facilities. In addition, Squamish area campgrounds and campground/RV parks have a total of approximately 750 sites.

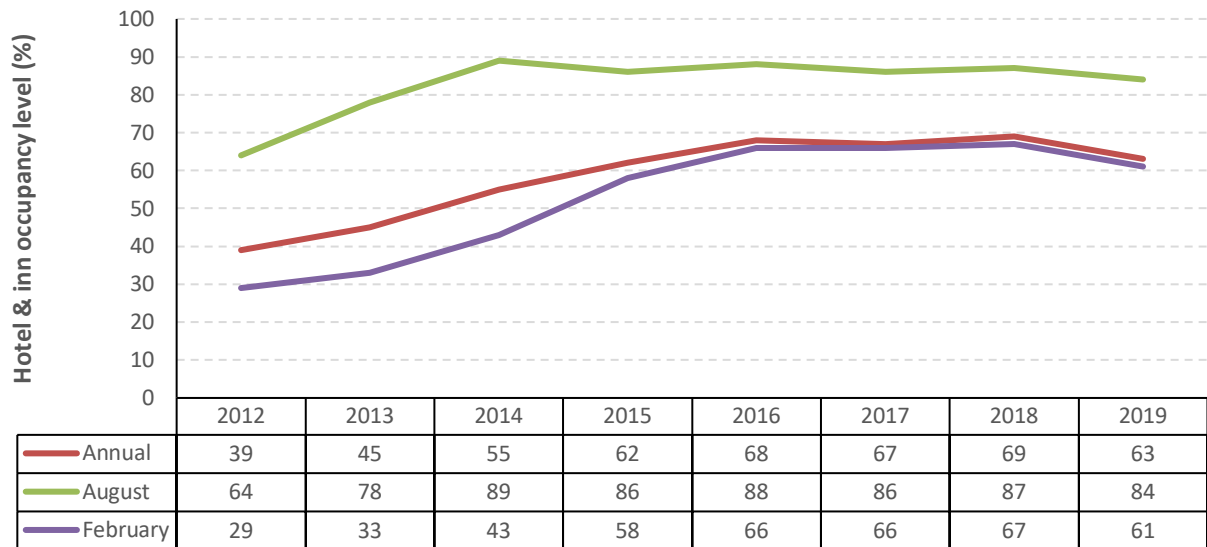
Although, visitation to Squamish has grown rapidly in recent years (see Section 3.1), the number of hotel and motel units and beds has remained largely static for about a decade. Squamish's newest full-service hotel, the Sandman Hotel & Suites, opened more than a decade ago in 2010 (originally branded as a Holiday Inn Express).³¹ Conversions or renovations have occurred in recent years for a few of Squamish's hotel and motel facilities however. The current owners of the HI Squamish Adventure Inn purchased the former Inn on the Water, and, in 2016, converted the building into a hostel (from an accommodation facility that catered to out-of-town logging and construction workers). Crash Hotel Squamish and its 26 rooms, which opened in 2019, is the outcome of the renovation of a longstanding hotel (former Chieftain Hotel) in downtown Squamish.

The annual occupancy level of Squamish hotels and motels as a group has steadily increased over the past several years reflecting the increasing visitor demand for Squamish area tourism experiences. Excepting 2019, the occupancy level rose in recent years despite the entry of additional vacation rental units into the local market. Figure 4-9 presents the estimated annual occupancy level and trend over the 8-year 2011-2019 period.

³⁰ Quest University makes the rooms in its residences available during the May through August period so the supply of traditional fixed roof accommodation falls to about 835 rooms during the shoulder and winter seasons.

³¹ Originally opened as a Holiday Inn Express, this hotel was subsequently purchased by Northland Properties and rebranded as a Sandman hotel.



Figure 4-9: Squamish average hotel and inn occupancy level (%), 2012-2019

Source: Tourism Squamish 2020

The summer season occupancy levels in both hotels and motels and vacation rentals in Squamish are relatively high. In 2018, occupancy in Squamish hotels and motels and vacation rentals averaged 76.5% and 64%, respectively, over the June through September period.

Quest University has become an important supplier of visitor accommodation during Squamish's high season

Not typically characterized as a hotel or motel but student accommodation facilities rented to non-students over the May through August months are an important source of fixed roof accommodation supply, especially in mid-sized communities. Quest University in the Garibaldi Highlands area of Squamish has approximately 300 rooms spread over several residence buildings that the university's Bookings and Events Office makes available to groups and independent travellers during the late spring and summer months.³²

The university's most recently built residence building was opened in 2014.³³ Since opening in 2007, Quest University has become an important factor in helping to meet demand for fixed roof visitor accommodation during Squamish's highest demand months. However, in a January 16, 2020 court filing, the university asked for and was granted financial protection

³² The university uses an online hotel room booking platform, Booking.com, to help market these rooms to travellers and to undertake transactions.

³³ The university's residences are built and owned by 3rd parties and leased to the university.



under the *Companies' Creditors Arrangement Act*. The institution plans to continue operations and pursue new financing (Chua 2020).

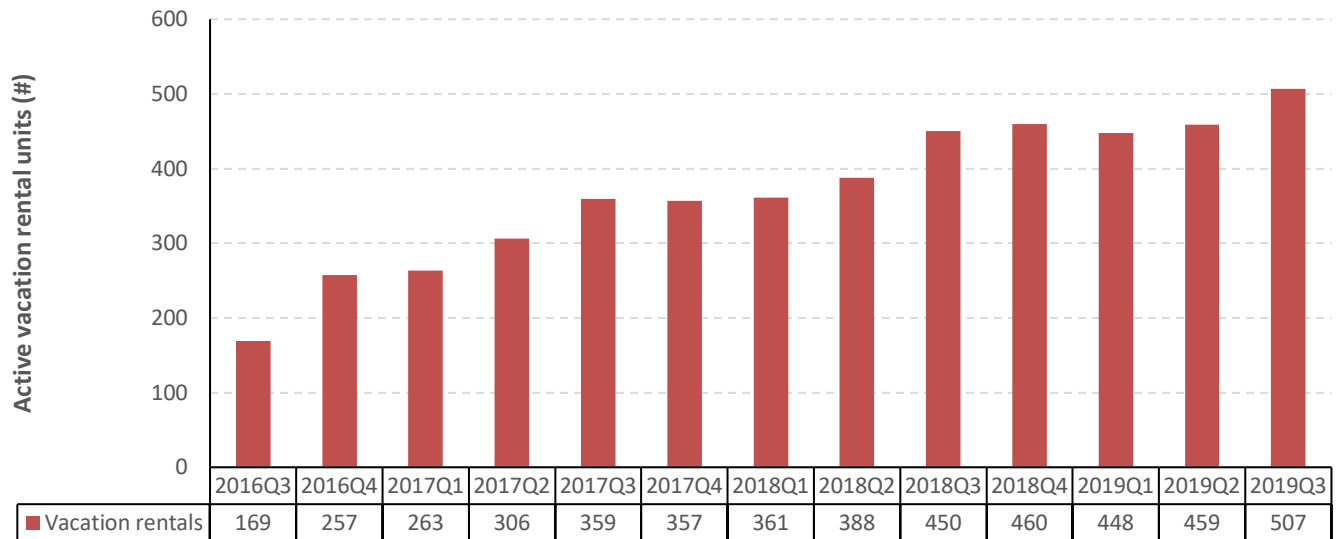
Vacation rentals have helped fill the gap between fixed roof accommodation supply and visitation demand in Squamish

In mid-size and larger communities, numbers of vacation rental units and their occupancy levels (and their price and occupancy effects on traditional fixed roof accommodation options) are in large part a function of the demand conditions in these communities (rising/falling demand) for local tourism experiences and supply conditions (capacity constraints, etc.) for traditional fixed roof accommodation options (Farronato and Fradkin 2018). In Squamish, over the past few years, the providers of vacation rental units have helped meet the increasing demand for fixed roof accommodation generated through the higher visitor demand for Squamish area tourism experiences.³⁴ Whereas Squamish's conventional hotel and motel accommodation capacity has stayed relatively flat in recent years, the supply of online platform offered vacation rentals in the Squamish area has increased to an estimated 507 units in 2019, a 300% rise over the 3-year 2016Q3 – 2019Q3 period (AirDNA 2020).

Based on an estimate of 975 rooms of traditional fixed room accommodation (in the summer high season) plus an estimate of approximately 500 units of online platform offered vacation rentals, the total supply of fixed roof accommodation in Squamish is currently about 1,475 rooms/units. At this time, vacation rentals account for about one-third of the total supply of fixed room accommodation in Squamish. Figure 4-10 presents the recent levels of and trend in the supply of online offered vacation rentals in Squamish.

³⁴ Accommodation demand is largely an intermediate demand (as for example is airline travel services) that directly flows from the end user demand for the tourism experiences and opportunities on offer at geographic destinations. In some instances, the features of an accommodation facility can be an important factor in end use demand (for example, the resort hotel has great restaurants, attractive pool facilities, etc.) but even in this instance, the geographic destination is an equal if not determinant demand factor for travellers.



Figure 4-10: Online offered vacation rentals in Squamish (# of units), 2016Q3 – 2019Q4

Source: AirDNA.co 2020

Considerable discussion has followed the expansion of Airbnb listings and several cities in North America and Europe have pursued various regulatory approaches (Nieuwland and van Melik 2018). District of Squamish has underway a process of examining alternative regulatory options for ‘short-term rentals’ (District of Squamish 2019b).

Friends and relatives are an important source of fixed roof accommodation in Squamish

An indicator of the share of visitation by friends and relatives comes from answers to questions in the 2019 Intercept Survey about main trip purpose and about where visitors to Squamish stayed during their Squamish visit. In the 2019 Intercept Survey of summer season visitors to the Squamish area, 23% of the interviewed visitors who stayed in a fixed roof accommodation facility (i.e., either commercial or non-commercial) stayed in the home of a friend or relative. A much larger share of visitors to Squamish who gave the main purpose of their trip as visiting friends or relatives were overnight visitors (90%) compared to day visitors (10%).

The share of overall visitors who stated their main trip purpose as visiting friends and relatives was relatively small, 3%. This result is expected because the population of Squamish is relatively small compared to the annual number of visitors to the area and a portion of visitors “bunk down” with friends or relatives when their main trip purpose to Squamish is to carry out a particular activity, such as kiteboarding, mountain biking, etc. The share of visitors in the 2019 Intercept Survey citing visiting friends and relatives as a secondary trip purpose was also relatively minor, about 2%.



4.5 New Tourism Sector Developments

Major local development proposals incorporate hotel accommodation

Newport Development (Newport), jointly owned by Dallas, Texas headquartered Mathews Southwest, operating as Squamish Cornerstone Developments Ltd., and Squamish Nation, are developing 59 acres of former industrial land, plus 44 adjacent acres of submerged water lots lands on Squamish's Howe Sound waterfront. Included in the conceptual development plan is a major hotel proposal. Onsite development work has included temporary road construction in 2017, water, sewer and storm utility infrastructure construction from Vancouver Street at Cleveland Avenue, down Galbraith Avenue in 2018 and initial work, commencing in 2019, on a projected \$10 million Oceanfront Park, which Newport will transfer to District of Squamish ownership when completed. This park needs to be completed prior to occupancy of any residential units.

The proposed hotel site has attractive Howe Sound views and is proposed to be nested within a commercial district and adjacent to a new large-scale residential area. This proposal would fill the identified need for a large hotel sketched out by Squamish tourism sector participants interviewed for this study but no plans have been announced to date for the proposed features of the hotel or who will operate it or when construction will likely start. This hotel project is likely but, at this juncture, is a minimum of 4-5 years away from serving guests.

In July 2019, Tiger Bay Development Corp. (formerly Taicheng Development Corporation) submitted an application for rezoning to Squamish Lillooet Regional District (SLRD) focused on a proposed large-scale resort village development for South Britannia and Minaty Bay that featured a land-based surf park and incorporated two hotels along with residential units and other recreational amenities (Cameron Chalmers Consulting 2019). In 2012, the then named Taicheng Development Corporation submitted an application for rezoning to Squamish Lillooet Regional District focused on the same site for a mixed-use development. The July 2019 application is "...under staff review and a report will be brought forward to the SLRD Regional Board when the conditions outlined in the Board's resolution of April, 2017 have been adequately addressed."³⁵

New tourism attractions and facilities are under development and proposed

To add to its summit level experiences, Sea to Sky Gondola is constructing an elevated 2.5km return trip tree walk, which will pass over wetlands along Panorama Ridge and is scheduled for a 2020 opening.

The Squamish Canyon Project is an ecotour attraction, which is proposed to include an elevated boardwalk, canyon walkway, two bridges over the canyon and the Mamquam River,

³⁵ See SLRD website, <https://www.slrld.bc.ca/planning-building/planning-development-services/current-projects/taicheng-development-application-0>



lookout platforms, concession areas and other visitor amenities constructed in two phases. The project is currently the subject of an April 2019 rezoning application to district council. The project has been in development since 2015, and received a Provincial Licence in 2017 (District of Squamish 2019a). A proponent commissioned report projected visitation of about 136,000 in year 3 at this new outdoor attraction (Select Contacts 2019).

In January 2016, the BC government awarded an environmental assessment certificate with conditions to Garibaldi at Squamish Inc. for a new ski resort in the Brohm Ridge area. Garibaldi at Squamish Inc., is jointly controlled by Aquilini Investment Group, Northland Properties and Squamish Nation, and intends to build an all-season mountain resort in its first phase with 610 acres of skiable and eight lifts, with a capacity for about 4,000 visitors, supported by nearly 1,000 staff and 5,000 beds. The projected opening that has been published is 2025, with construction starting in 2023 (Garibaldi at Squamish website)

Squamish Nation is a partner in major new Squamish area real estate developments with substantive tourism sector effects

Squamish Nation is a business partner in Newport Development on the Squamish waterfront (with Squamish Cornerstone Developments), Garibaldi at Squamish (with Aquilini Investment Group and Northland Properties) and the Cheekeye Development in Brackendale (with Squamish Cornerstone Developments).³⁶

Squamish Nation has long had major real estate investments in West Vancouver, along with real estate investments and under development projects in Vancouver. For example, in partnership with Westbank Development, Squamish Nation announced last year a major multi-unit development on lands that the nation owns adjacent to Burrard Street Bridge, the Sen̓ákw project, which was projected to have approximately 6,000 new housing units in 11 towers on an 11.7-acre site, with the tallest tower proposed for 56 storeys.³⁷

4.6 Top Priorities

Section under review by Study Partners.

³⁶ The Cheekeye Development project passed third reading at district council in July 2018 but has not received final adoption. Primarily a residential focused project, the Cheekeye Development proposal includes approximately 550 single-family units and 675 multi-family units plus commercial space.

³⁷ Nch'kaŷ Development Corporation, established in 2018, has become the economic development arm of the Squamish Nation with a mandate to own and manage the active businesses of the Nation.



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Appendix I – Economic Impact Estimation Approach and Methodologies

4.6.1 Introduction

The project was based on a research and analysis process that draws upon the following.

- Email-based survey of operators of traditional fixed roof accommodations, campgrounds and RV parks in the Squamish area carried out by Tourism Squamish and Destination BC.
- Data on volume and revenues of online platform vacation rentals offered in Squamish.³⁸
- In-person survey of visitors to the Squamish area carried out by Tourism Squamish.
- Modelling to estimate visitation and direct spending of tourists in Squamish, which was carried out by Destination BC and Crane Management Consultants Ltd. (Crane Management).
- Input-output (I-O) modelling to estimate economic impact of the Squamish area tourism sector carried out by Pacific Analytics Inc. and Crane Management.
- In-person and phone interviews with Squamish area tourism operators and leaders and research of secondary source data and information on Squamish area tourism (Crane Management).

4.6.2 Survey of Squamish Area accommodation providers

A collaboration of Tourism Squamish and Destination BC contacted, by email, all Squamish area providers of traditional fixed roof accommodation facilities (hotels, motels, inns, hostels and Quest University), campgrounds and campground/RV parks to collect their month by month 2018 data on client volume and accommodation spending. This survey was undertaken in a Destination BC standardized format to facilitate preparation of a Value of Tourism report for the Squamish area.

The Value of Tourism Program is led by Destination BC and generates an estimate of annual visitor volume and direct spending of a local tourism sector. Value of Tourism reports were previously prepared for the Squamish area that estimated 2007 and 2008 visitor volume and spending.³⁹

³⁸ Sourced via AirDNA LLC.

³⁹ Several other BC communities have researched and prepared Value of Tourism reports, for program description see <https://www.destinationbc.ca/research-insights/research-tools-methods/>



Tourism Squamish, Destination BC and Crane Management (the author of this impact study) collaborated to finalize the approach for estimating visitor volume and visitor spending as these estimates are incorporated into the economic impact analysis.

The visitor volume and spending estimates for the Value of Tourism exercise were prepared by accommodation segment using the following key pieces of information and data.

- Local operators of traditional fixed roof accommodation facilities provided occupancy and revenue data and they accounted for a large majority of accommodation units in the Squamish area.
- Local operators of licensed campgrounds and campground/RV parks provided occupancy and revenue data and they accounted for a large majority camping and RV sites in the Squamish area.
- Client volume and accommodation revenues for the few traditional visitor accommodation operators who did not provide data were estimated based on the known number of their accommodation units, and occupancy and revenue factors developed with the aid of the data collected from the Squamish area operators who submitted surveys.
- Data on per day visitor spending by day visitors and four overnight accommodation segments (hotels and motels, vacation rentals and associated, campgrounds and friends and relatives) from the 2019 Intercept Survey undertaken by Tourism Squamish.
- Visitation associated with Squamish area vacation rentals was estimated by accessing vacation rental unit volume and revenue data from AirDNA LLC (which includes only units marketed on the Airbnb and Homeaway websites), Online Accommodation Platform (OAP) revenue data of the Municipal and Regional Tax (MRDT) Program, and data on visitor spending from the 2019 Intercept Survey undertaken by Tourism Squamish.
- An estimate for the number of day visitors was developed by applying a factor for the share of day visitors to total visitors, which was created from the results of the 2019 Intercept Survey.



4.6.3 Intercept Survey of Visitors to the Squamish Area

In the tourism research context, an intercept survey, in general, refers to an interviewer administering, in-person, a questionnaire to visitors at several tourism activity and accommodation locations within a defined study area.

Tourism Squamish, with research and analysis assistance from District of Squamish's Economic Development Office and Crane Management, led an in-person interview-based survey of 3,000 plus visitors at multiple tourism activity and accommodation locations in the Squamish area from the beginning of June through the end of September 2019. Interviewers administered a questionnaire that covered multiple aspects of the interviewee's visit to the Squamish area including activities undertaken, amount of time spent in the Squamish area, location of certain activities, and their spending on various goods and services while in the Squamish area. The questionnaire was structured so that the experiences of each interviewed visitor could be collated, analyzed and compared on a wide variety of tourism activity, economic and demographic factors. For the purposes of undertaking the estimations of Squamish visitation, direct spending by Squamish visitors and economic of the Squamish tourism sector, only information and data from the 1,800 plus interviews conducted between the beginning of June and August 6, 2019, when the Sea to Sky Gondola was sabotaged and gondola operations were closed, were incorporated into the estimation exercise.

4.6.4 Input-Output Modelling of Economic Impacts of the Squamish Tourism Sector

A few pathways are available to undertake an economic impact analysis at the regional or local level, and each pathway has its complexities and associated pros and cons. The applicability of each method to a particular analysis depends on several factors, including the size of the affected area included in the analysis, the number of activities within a region, the level of detail needed for the analysis, and the magnitude of the impacts generated by the economic activity under consideration.

Choices must be made then in order to structure and implement an analytical approach that appropriately frames the impact questions under study and that offers economic metrics and estimation accuracy that are suitable for the policymaking and communications needs of decisionmakers and stakeholders.

The economic impact analysis for this project was undertaken using an input-output (I-O) impact modelling methodology. The BC Regional Impact Model, which is maintained by Pacific Analytics (but which is also the official Model used by BC STATS, the provincial



government's statistical agency⁴⁰), was used to estimate the impact of the Squamish area's tourism sector on local and provincial direct, indirect, induced and total employment, employment income, economic output, GDP and tax revenue.⁴¹ The Local Area Tourism Impact Model (a subset of the main I-O Model) incorporates detailed information sourced from Statistics Canada about the flow of goods and services among the many industries of the national, BC and local economies. The model incorporates Statistics Canada data to structure linked production function relationships between 204 industries producing 498 commodities and having 283 final demand categories, and also incorporates algorithms that drive the model's computations. The Local Area Tourism Impact Model also incorporates municipal-based wages rates (derived from Regional District wage rates), employment and output by individual industry to produce direct, indirect and induced impact estimates at the municipal level and up to the BC level.

The local tourism sector's direct economic effects are amplified through the local and provincial economies, and also the national economy, via the indirect economic effects from the spending of visitors on Squamish area businesses which purchase goods and services to support and create tourism experiences, and the induced effects from tourism sector related wages and salaries⁴² the which are spent on consumer goods and personal services. The direct impact level references the direct supply of services and goods to visitors, and is based on the spending by visitors on services and goods while in Squamish.

The leisure visitor comes to Squamish to enjoy one or more tourism experiences and they create these experiences, typically, by purchasing goods and services at several local enterprises (and a few non-local enterprises that come temporarily to Squamish to deliver a service or good in Squamish). These local enterprises include attraction operators (such as Sea to Sky Gondola and Britannia Mining Museum), restaurants, overnight accommodation facilities, outdoor adventure tour operators, retailers selling specialized equipment and clothing, etc. Sometimes these tourism experiences can be relatively uncomplicated, such as a

⁴⁰ BC Stats has leased Pacific Analytics' Regional Input-Output Model for use as its official impact assessment model. Accordingly, impact estimates generated in this study are consistent with both Statistics Canada's national accounting principles and with the impact assessment methodology of BC Stats.

⁴¹ I-O models are mathematical representations of an economy formulated in terms of transactions between industries, governments, employees, and households. These models are based on detailed business and demographic data collected mainly by Statistics Canada.

This IO model was developed by Pacific Analytics for Destination BC and is a version of Pacific Analytics' Regional Input-Output Model (RIOM), which was developed in conjunction with the BC Ministry of Transportation.

⁴² Throughout, the term "wages and salaries" includes both actual wages and salaries paid by companies and incomes earned by unincorporated businesses (in the parlance of I-O Modeling known as "Mixed Incomes").



weekend visit focused on a family event, but often they can involve multiple experiences and entail patronage by a visitor at multiple local businesses.⁴³

Using the employment indicator as an example, direct, indirect and induced impacts of the tourism sector at the local level will have the following key characteristics.

- **Direct employment** is employment in local industries and companies that are supported in whole or in part due to the direct (front line) spending on services and goods at the local level by a visitor to the Squamish area. The spending by visitors represents (gross) revenues for various enterprises at which the spending occurred. The direct employment of the Squamish tourism sector consists of most employees of local hotels and attractions, and a portion of the employment at local restaurants, brewpubs, retail outlets, gas stations, helicopter service companies, etc.⁴⁴
- **Indirect employment** is employment at upstream supplier businesses that are selling goods and services into the businesses that are selling goods and services directly to Squamish visitors. There is a first round of goods and services spending effect, for example, a company that provides electrical system maintenance services to the attraction operator. There are subsequent rounds of purchases, often many, as the first round suppliers need inputs for their production processes (natural gas and steel for a steel fabricator, for example). These rounds of spending are cumulatively referred to as *upstream supply employment*. All the rounds of this spending on goods and services are summarily reported as *total indirect employment*.
- **Induced employment** is employment generated via the spending of income of the direct and indirect employment. For example, when workers at local attractions or hotels and their families go out for dinner at local restaurants, this results in additional (induced) employment hours in the local food and beverage industry. Just as there are estimates of *direct supply employment* and *upstream supply employment*, the Model internally calculates equivalent induced impacts.

⁴³ The all-inclusive resort that is found in several tropical areas or the heli-skiing operation are examples where one operator delivers most of the services that form the basis for a tropical vacation experience or a heli-skiing experience but the typical situation in the tourism sector is that the tourism experience is put together by a tourist or group of tourists through purchases of a range of goods and services.

⁴⁴ The modelling did not include expenditures related to construction of facilities that are solely or primarily focused on catering to visitors to the Squamish area. The amount of tourism sector-related construction expenditures varies from year to year but often can be substantial. Direct employment in the construction sector for example encompasses the various tradespersons, labourers, equipment operators, supervisors, engineers, technicians and managers that developers and builders hire and employ.

In recent years, the construction sector has been a major force in the Squamish economy. The 2016 Census had the Squamish construction sector as accounting for 12% (1,240 workers) of Squamish's total labour force.

In the context of an economic impact modelling exercise that focuses on helping to assess a new tourism sector project, such as a new hotel and convention facility, then the employment and other economic effects of both facility construction and subsequent multi-year operation would likely be analyzed.



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- **Total employment** is the sum of direct, indirect and induced effects and represents the maximum potential stimulus to the local economy over the study time period (2018 in the case of this project).

This model was ‘shocked’ by an estimate of the spending by visitors to the Squamish area in 2018. Input-output models can also be used to trace and identify the impacts on upstream industries of a change in final demand (such as consumer spending, capital investment and government spending) on output by industry and commodity. They are also used to determine the economic contribution (or footprint) of a sector, industry or facility.

The economic metrics include output (or gross revenues), Gross Domestic Product (GDP, or value added), employment (reported as full-time equivalent positions (FTEs) or jobs), employment income, and taxes by individual tax by level of government. Each of these metrics represents a key feature or aspect of the local and BC economies.

In preparation for I-O modelling, the detailed visitor spending data developed through the Tourism Squamish-led Intercept Survey was categorized to the appropriate industry classification used by Statistics Canada for its I-O tables and accordingly inputted into the Local Area Tourism Impact Model. The industry revenue (output) values were classified by the applicable industry in the Input-Output Industry Classification (IOIC).⁴⁵

The modelling was undertaken from a BC provincial perspective so the estimated value of imported labour, goods and services⁴⁶ was deducted from the total direct spending to identify expenditures on goods and services produced in BC and on BC-based labour. Only the direct spending on labour, materials, goods, and services originating in BC was inputted into the model.

Expenditures on a few items were not inputted into the model as they do not result in incremental economic output, GDP or employment; rather they are a transfer of economic resources between parties within the province. Direct payments of taxes, which includes Provincial Sales Tax (PST) and property taxes, fall into the transfers category.⁴⁷

⁴⁵ The IOIC follows the standard NAICS structure.

⁴⁶ Imported either from other provinces or outside of Canada.

⁴⁷ Taxes associated with spending on the project are reported.



Appendix II – I-O Modelling Assumptions and Limitations

The following are the study’s assumptions and limitations in regard to the input-output modelling.

- The Local Area Impact Model (the model) assumes that consumers spend an average of 95% of their personal disposable income on goods and services. Disposable income is calculated by removing provincial and federal income taxes (estimated for each industry) from total wages and salaries.
- Input-output models are linear and do not factor in economies of scale, i.e. they assume that a given change in the demand for a commodity will translate into a proportional change in production.
- Input-output models do not take into account the amount of time required for economic changes to occur. Economic adjustments resulting from a change in demand are assumed to happen immediately.
- Input-output models assume there are no capacity constraints and that an increase in the demand for labour will result in an increase in employment (rather than simply re-deploying workers).
- The industry structure of the model is based on a “snapshot” of the BC economy in 2015 so the model reflects relationships between industries from that year.
- While use of the model has limitations, its commodity and industry relationships are based on a very large database accumulated over several years and the model have been found to generate impact estimates that are indicative of realized economic impacts.



Appendix III – Summary Table of 2018 Economic Impacts for Squamish Tourism Sector

	SQUAMISH				REST OF BRITISH COLUMBIA				BC
	Direct	Indirect	Induced	TOTAL	Direct**	Indirect	Induced	TOTAL	TOTAL
Visitor Direct Spending	\$95,150,000								
Visitation (# of visitors)	615,600								
Gross Output*	\$75,413,000	\$5,356,000	\$6,923,000	\$87,692,000	\$3,082,000	\$24,645,000	\$19,141,000	\$46,868,000	\$134,560,000
GDP	\$40,739,000	\$3,829,000	\$5,599,000	\$50,167,000	\$1,468,000	\$12,962,000	\$11,368,000	\$25,798,000	\$75,965,000
Intermediate Inputs	\$34,674,000	\$1,527,000	\$1,324,000	\$37,525,000	\$1,614,000	\$11,683,000	\$7,773,000	\$21,070,000	\$58,595,000
Employment Income	\$28,399,000	\$2,582,000	\$4,533,000	\$35,514,000	\$866,000	\$8,712,000	\$8,160,000	\$17,738,000	\$53,252,000
<i>Wages and Salaries</i>	\$19,419,000	\$1,812,000	\$1,919,000	\$23,151,000	\$719,000	\$6,163,000	\$3,603,000	\$10,485,000	\$33,636,000
<i>Mixed Income</i>	\$6,586,000	\$531,000	\$2,354,000	\$9,472,000	\$31,000	\$1,758,000	\$4,072,000	\$5,861,000	\$15,333,000
<i>Employers' social contributions</i>	\$2,393,000	\$239,000	\$260,000	\$2,892,000	\$115,000	\$792,000	\$485,000	\$1,392,000	\$4,284,000
Employment (jobs)	727	37	24	788	20	158	125	303	1,091
Employment (FTEs)	508.9	29.5	18.8	557.2	15.2	126.3	95.7	237.1	794.3



	SQUAMISH				REST OF BRITISH COLUMBIA				BC
	Direct	Indirect	Induced	TOTAL	Direct**	Indirect	Induced	TOTAL	TOTAL
Total Taxes	\$18,940,000	\$821,000	\$787,000	\$20,547,000	\$268,000	\$2,768,000	\$3,056,000	\$6,092,000	\$26,639,000
Total Federal Taxes	\$9,335,000	\$426,000	\$330,000	\$10,091,000	\$142,000	\$1,443,000	\$1,283,000	\$2,868,000	\$12,959,000
Total Indirect Taxes	\$4,786,000	\$30,000	\$137,000	\$4,952,000	\$5,000	\$104,000	\$425,000	\$535,000	\$5,487,000
Fed Trading Profits Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000
Fed Gasoline Tax	\$507,000	\$5,000	\$5,000	\$516,000	\$2,000	\$18,000	\$16,000	\$37,000	\$554,000
Fed Excise Tax	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$2,000
Fed Excise Duties	\$324,000	\$1,000	\$4,000	\$328,000	\$0	\$2,000	\$13,000	\$16,000	\$344,000
Fed Air Transport Tax	\$4,000	\$1,000	\$4,000	\$9,000	\$0	\$2,000	\$12,000	\$14,000	\$23,000
Fed Import Duties	\$385,000	\$2,000	\$7,000	\$394,000	\$1,000	\$7,000	\$22,000	\$29,000	\$423,000
GST	\$3,401,000	\$12,000	\$104,000	\$3,517,000	\$0	\$45,000	\$307,000	\$351,000	\$3,868,000
Indirect Taxes on Production	\$164,000	\$9,000	\$13,000	\$186,000	\$2,000	\$30,000	\$54,000	\$86,000	\$272,000
Personal Income Taxes	\$3,593,000	\$320,000	\$154,000	\$4,066,000	\$80,000	\$1,083,000	\$682,000	\$1,845,000	\$5,911,000
Corp. Income Taxes	\$956,000	\$76,000	\$40,000	\$1,073,000	\$56,000	\$256,000	\$176,000	\$488,000	\$1,561,000
Total Provincial Taxes	\$7,681,000	\$295,000	\$311,000	\$8,288,000	\$103,000	\$991,000	\$1,161,000	\$2,256,000	\$10,543,000
Total Indirect Taxes	\$5,487,000	\$112,000	\$221,000	\$5,820,000	\$32,000	\$373,000	\$762,000	\$1,168,000	\$6,988,000
Prov Environmental Tax	\$459,000	\$12,000	\$10,000	\$481,000	\$7,000	\$41,000	\$39,000	\$87,000	\$569,000
Prov Trading Profits Tax	\$783,000	\$3,000	\$54,000	\$840,000	\$1,000	\$12,000	\$161,000	\$174,000	\$1,014,000
Prov Gas Tax	\$1,080,000	\$12,000	\$11,000	\$1,103,000	\$5,000	\$42,000	\$38,000	\$86,000	\$1,188,000
Prov Other Tax	\$345,000	\$0	\$1,000	\$346,000	\$0	\$0	\$4,000	\$4,000	\$350,000
PST	\$2,042,000	\$42,000	\$85,000	\$2,168,000	\$9,000	\$138,000	\$266,000	\$412,000	\$2,581,000
Prov. Indirect Taxes on Production	\$779,000	\$42,000	\$60,000	\$881,000	\$9,000	\$140,000	\$255,000	\$405,000	\$1,285,000
Personal Income Taxes	\$1,493,000	\$127,000	\$61,000	\$1,681,000	\$30,000	\$430,000	\$270,000	\$730,000	\$2,411,000
Corp. Income Taxes	\$701,000	\$56,000	\$29,000	\$787,000	\$41,000	\$187,000	\$129,000	\$358,000	\$1,145,000
Total Municipal/RD Taxes	\$1,924,000	\$100,000	\$145,000	\$2,169,000	\$22,000	\$333,000	\$612,000	\$968,000	\$3,136,000
Municipal Sales Tax***	\$115,000	\$2,000	\$6,000	\$123,000	\$0	\$6,000	\$18,000	\$24,000	\$146,000
Property, Business & Other Mun. Taxes	\$1,809,000	\$98,000	\$139,000	\$2,046,000	\$22,000	\$328,000	\$594,000	\$944,000	\$2,990,000

*Gross Output is equal to Visitor Spending minus Imports used for production minus consumer taxes minus indirect taxes on production.

**Other BC Direct: The producer cost of goods (i.e., the cost excluding wholesale, retail and transportation margins, taxes, etc.) is measured at the factory gate.

For some consumer spending (think the purchase of clothing) those factories may be located in other regions. Consumer taxes are assigned to Squamish

***Municipal Sales Taxes include the MRDT tax as well as municipal parking taxes and the like.

